

27 | members after a specified date; providing an accrual
 28 | rate for membership in the class; amending s. 121.091,
 29 | F.S.; providing for the calculation of benefits for
 30 | members of the Florida Retirement System Hybrid Plan;
 31 | providing disability benefits for members in the
 32 | hybrid plan under certain conditions; specifying that
 33 | a hybrid plan member that receives a distribution of
 34 | employee contributions is considered retired;
 35 | providing a death benefit to members of the hybrid
 36 | plan; authorizing participation in the Deferred
 37 | Retirement Option Program for members of the hybrid
 38 | plan; conforming cross-references; amending s. 121.35,
 39 | F.S.; providing that certain participants in the
 40 | optional retirement program for the State University
 41 | System may choose to participate in the Florida
 42 | Retirement System; amending s. 121.4501, F.S.;
 43 | defining the "Florida Retirement System Hybrid Plan";
 44 | authorizing Special Risk Class members to participate
 45 | in the pension plan; requiring certain employees
 46 | initially enrolled in the Florida Retirement System on
 47 | or after a specified date to be initially enrolled in
 48 | the hybrid plan; providing a member with a specified
 49 | time to choose a plan; providing for the transfer of
 50 | certain contributions; creating an election for
 51 | members enrolled before a specified date to elect to
 52 | transfer to the hybrid plan; permitting the State

53 Board of Administration to develop investment products
 54 to be offered in the investment plan; revising the
 55 education component; conforming cross-references;
 56 amending s. 121.591, F.S.; providing for the payment
 57 of benefits accumulated in the member account for
 58 hybrid plan members; amending s. 121.5911, F.S.;
 59 providing for disability benefits for members of the
 60 hybrid plan; amending s. 121.70, F.S.; providing that
 61 the hybrid plan must be included in the uniform
 62 funding of the Florida Retirement System; providing
 63 that the Florida Retirement System is a single plan
 64 which consists of three retirement plans; amending s.
 65 121.71, F.S.; providing the employee and employer
 66 contribution rates for the three plans; amending s.
 67 121.72, F.S.; providing for the allocation of funds
 68 for the hybrid plan; amending s. 121.77, F.S.;
 69 authorizing the deduction of reasonable fees and
 70 appropriate charges from hybrid member plan accounts;
 71 amending s. 121.78, F.S.; providing for the assessment
 72 of penalties; directing the transfer of certain funds;
 73 amending s. 216.136, F.S.; requiring the Florida
 74 Retirement System Actuarial Assumption Conference to
 75 include the hybrid plan and pension plan as components
 76 of the Florida Retirement System; adjusting the
 77 required employer contribution rates for the unfunded
 78 actuarial liability of the Florida Retirement System

79 | for select classes; amending ss. 121.0515, 121.053,
 80 | 121.122, 121.125, 121.141, 121.23, 121.40, 238.072,
 81 | 238.183, and 413.051, F.S.; conforming provisions to
 82 | changes made by the act; providing that the act
 83 | fulfills an important state interest; requiring the
 84 | State Board of Administration and the Department of
 85 | Management Services to request a determination letter
 86 | from the Internal Revenue Service; providing a
 87 | directive to the Division of Law Revision and
 88 | Information; providing effective dates.

89 |

90 | Be It Enacted by the Legislature of the State of Florida:

91 |

92 | Section 1. Paragraphs (b) and (c) of subsection (2) and
 93 | paragraph (e) of subsection (3) of section 112.363, Florida
 94 | Statutes, are amended to read:

95 | 112.363 Retiree health insurance subsidy.—

96 | (2) ELIGIBILITY FOR RETIREE HEALTH INSURANCE SUBSIDY.—

97 | (b) For purposes of this section, a person is deemed
 98 | retired from a state-administered retirement system when he or
 99 | she terminates employment with all employers participating in
 100 | the Florida Retirement System as described in s. 121.021(39)
 101 | and:

102 | ~~1. For a member of the investment plan established under~~
 103 | ~~part II of chapter 121, the participant meets the age or service~~
 104 | ~~requirements to qualify for normal retirement as set forth in s.~~

105 ~~121.021(29) and meets the definition of retiree in s.~~
 106 ~~121.4501(2).~~

107 1.2. For a member of the Florida Retirement System Pension
 108 Plan, or any employee who maintains creditable service under the
 109 pension plan and the investment plan, the member begins drawing
 110 retirement benefits from the pension plan.

111 2. For a member of the Florida Retirement System
 112 Investment Plan established under part II of chapter 121, the
 113 member meets the age or service requirements to qualify for
 114 normal retirement as set forth in s. 121.021(29) and meets the
 115 definition of retiree in s. 121.4501(2).

116 3. For a member of the Florida Retirement System Hybrid
 117 Plan established under parts I and II of chapter 121, the member
 118 begins drawing retirement benefits from the pension plan
 119 component of the hybrid plan.

120 (c) Effective July 1, 2001, any person retiring on or
 121 after that date as a member of the Florida Retirement System,
 122 including a member of the investment plan administered pursuant
 123 to part II of chapter 121 or a member of the hybrid plan
 124 administered pursuant to parts I and II of chapter 121, must
 125 have satisfied the vesting requirements for his or her
 126 membership class under the pension plan as administered under
 127 part I of chapter 121. However, a person retiring due to
 128 disability must qualify for a regular or in-line-of-duty
 129 disability benefit as provided in s. 121.091(5) ~~121.091(4)~~ or
 130 qualify for a disability benefit under a disability plan

131 established under part II of chapter 121, as appropriate.

132 (3) RETIREE HEALTH INSURANCE SUBSIDY AMOUNT.—

133 (e)1. Beginning July 1, 2001, each eligible retiree of the
 134 pension plan of the Florida Retirement System, or, if the
 135 retiree is deceased, his or her beneficiary who is receiving a
 136 monthly benefit from such retiree's account and who is a spouse,
 137 or a person who meets the definition of joint annuitant in s.
 138 121.021, shall receive a monthly retiree health insurance
 139 subsidy payment equal to the number of years of creditable
 140 service, as defined in s. 121.021, completed at the time of
 141 retirement multiplied by \$5; however, no eligible retiree or
 142 beneficiary may receive a subsidy payment of more than \$150 or
 143 less than \$30. If there are multiple beneficiaries, the total
 144 payment may not be greater than the payment to which the retiree
 145 was entitled. The health insurance subsidy amount payable to any
 146 person receiving the retiree health insurance subsidy payment on
 147 July 1, 2001, may not be reduced solely by operation of this
 148 subparagraph.

149 2. Beginning July 1, 2002, each eligible retiree ~~member~~ of
 150 the investment plan of the Florida Retirement System who has met
 151 the requirements of this section, or, if the retiree ~~member~~ is
 152 deceased, his or her spouse who is the retiree's ~~member's~~
 153 designated beneficiary, shall receive a monthly retiree health
 154 insurance subsidy payment equal to the number of years of
 155 creditable service, as provided in this subparagraph, completed
 156 at the time of retirement, multiplied by \$5; however, an

157 eligible retiree or beneficiary may not receive a subsidy
 158 payment of more than \$150 or less than \$30. For purposes of
 159 determining a member's creditable service used to calculate the
 160 health insurance subsidy, a member's years of service credit or
 161 fraction thereof shall be based on the member's work year as
 162 defined in s. 121.021(54). Credit must be awarded for a full
 163 work year if health insurance subsidy contributions have been
 164 made for each month in the member's work year. In addition, all
 165 years of creditable service retained under the Florida
 166 Retirement System Pension Plan must be included as creditable
 167 service for purposes of this section. Notwithstanding any other
 168 provision in this section, the spouse at the time of death is
 169 the member's beneficiary unless such member has designated a
 170 different beneficiary subsequent to the member's most recent
 171 marriage.

172 3. Beginning July 1, 2015, each eligible retiree of the
 173 hybrid plan of the Florida Retirement System, or, if the retiree
 174 is deceased, his or her beneficiary who is receiving a monthly
 175 benefit from such retiree's account and who is a spouse, or a
 176 person who meets the definition of joint annuitant in s.
 177 121.021(28), shall receive a monthly retiree health insurance
 178 subsidy payment equal to the number of years of creditable
 179 service, as defined in s. 121.021(17), completed at the time of
 180 retirement multiplied by \$5; however, no eligible retiree or
 181 beneficiary may receive a subsidy payment of more than \$150 or
 182 less than \$30. If there are multiple beneficiaries, the total

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183 payment may not be greater than the payment to which the retiree
 184 was entitled.

185 Section 2. Subsections (3), (30), (39), (44), and (45) of
 186 section 121.021, Florida Statutes, are amended to read:

187 121.021 Definitions.—The following words and phrases as
 188 used in this chapter have the respective meanings set forth
 189 unless a different meaning is plainly required by the context:

190 (3) "Florida Retirement System" or "system" means the
 191 general retirement system established by this chapter,
 192 including, but not limited to, the defined benefit program
 193 administered under this part, referred to as the "Florida
 194 Retirement System Pension Plan" or "pension plan;~~;~~" ~~and~~ the
 195 defined contribution program administered under part II of this
 196 chapter, referred to as the "Florida Retirement System
 197 Investment Plan" or "investment plan;~~;~~" and the consolidated
 198 defined benefit-defined contribution program administered under
 199 parts I and II of this chapter, referred to as the "Florida
 200 Retirement System Hybrid Plan" or "hybrid plan."

201 (30) "Early retirement date" means the first day of the
 202 month following the date a member becomes vested and elects to
 203 receive retirement benefits in accordance with this chapter.
 204 Such benefits shall be based on average monthly compensation and
 205 creditable service as of the member's early retirement date, and
 206 the benefit so computed shall be reduced by five-twelfths of 1
 207 percent for each complete month by which the early retirement
 208 date precedes his or her normal retirement date as provided in

209 s. 121.091(4) ~~121.091(3)~~.

210 (39) (a) "Termination" occurs, except as provided in
 211 paragraph (b), when a member ceases all employment relationships
 212 with participating employers, however:

213 1. For retirements effective before July 1, 2010, if a
 214 member is employed by any such employer within the next calendar
 215 month, termination shall be deemed not to have occurred. A leave
 216 of absence constitutes a continuation of the employment
 217 relationship, except that a leave of absence without pay due to
 218 disability may constitute termination if such member makes
 219 application for and is approved for disability retirement in
 220 accordance with s. 121.091(5) ~~121.091(4)~~. The department or
 221 state board may require other evidence of termination as it
 222 deems necessary.

223 2. For retirements effective on or after July 1, 2010, if
 224 a member is employed by any such employer within the next 6
 225 calendar months, termination shall be deemed not to have
 226 occurred. A leave of absence constitutes a continuation of the
 227 employment relationship, except that a leave of absence without
 228 pay due to disability may constitute termination if such member
 229 makes application for and is approved for disability retirement
 230 in accordance with s. 121.091(5) ~~121.091(4)~~. The department or
 231 state board may require other evidence of termination as it
 232 deems necessary.

233 (b) "Termination" for a member electing to participate in
 234 the Deferred Retirement Option Program occurs when the program

235 participant ceases all employment relationships with
 236 participating employers in accordance with s. 121.091(14)
 237 ~~121.091(13)~~, however:

238 1. For termination dates occurring before July 1, 2010, if
 239 the member is employed by any such employer within the next
 240 calendar month, termination will be deemed not to have occurred,
 241 except as provided in s. 121.091(14)(b)4.c. ~~121.091(13)(b)4.e.~~ A
 242 leave of absence shall constitute a continuation of the
 243 employment relationship.

244 2. For termination dates occurring on or after July 1,
 245 2010, if the member becomes employed by any such employer within
 246 the next 6 calendar months, termination will be deemed not to
 247 have occurred, except as provided in s. 121.091(14)(b)4.c.
 248 ~~121.091(13)(b)4.e.~~ A leave of absence constitutes a continuation
 249 of the employment relationship.

250 (c) Effective July 1, 2011, "termination" for a member
 251 receiving a refund of employee contributions occurs when a
 252 member ceases all employment relationships with participating
 253 employers for 3 calendar months. A leave of absence constitutes
 254 a continuation of the employment relationship.

255 (44) "DROP participant" means any member who elects to
 256 retire and participate in the Deferred Retirement Option Program
 257 as provided in s. 121.091(14) ~~121.091(13)~~.

258 (45) "Vested" or "vesting" means the guarantee that a
 259 member is eligible to receive a future retirement benefit upon
 260 completion of the required years of creditable service for the

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261 employee's class of membership, even though the member may have
 262 terminated covered employment before reaching normal or early
 263 retirement date. Being vested does not entitle a member to a
 264 disability benefit. Provisions governing entitlement to
 265 disability benefits are set forth under s. 121.091(5)
 266 ~~121.091(4)~~.

267 (a) Effective July 1, 2001, through June 30, 2011, a 6-
 268 year vesting requirement shall be implemented for the Florida
 269 Retirement System Pension Plan:

270 1. Any member employed in a regularly established position
 271 on July 1, 2001, who completes or has completed a total of 6
 272 years of creditable service is considered vested.

273 2. Any member not employed in a regularly established
 274 position on July 1, 2001, shall be deemed vested upon completion
 275 of 6 years of creditable service if such member is employed in a
 276 covered position for at least 1 work year after July 1, 2001.
 277 However, a member is not required to complete more years of
 278 creditable service than would have been required for that member
 279 to vest under retirement laws in effect before July 1, 2001.

280 3. Any member initially enrolled in the Florida Retirement
 281 System on July 1, 2001, through June 30, 2011, shall be deemed
 282 vested upon completion of 6 years of creditable service.

283 (b) Any member initially enrolled in the Florida
 284 Retirement System Pension Plan on or after July 1, 2011, shall
 285 be vested in the pension plan upon completion of 8 years of
 286 creditable service.

287 (c) Any member initially enrolled in the Florida
 288 Retirement System Hybrid Plan on or after July 1, 2015, shall be
 289 vested in the pension plan component upon completion of 8 years
 290 of creditable service.

291 Section 3. Subsections (3) through (9) of section 121.051,
 292 Florida Statutes, are renumbered as subsections (4) through
 293 (10), respectively, a new subsection (3) is added to that
 294 section, and paragraph (a) of subsection (1) and paragraph (c)
 295 of subsection (2) of that section, are amended to read:

296 121.051 Participation in the system.—

297 (1) COMPULSORY PARTICIPATION.—

298 (a) Participation in the Florida Retirement System is
 299 compulsory for all officers and employees, except elected
 300 officers who meet the requirements of s. 121.052(3), who are
 301 employed on or after December 1, 1970, by an employer other than
 302 those referred to in paragraph (2)(b). Each officer or employee,
 303 as a condition of employment, becomes a member of the system on
 304 the date of employment, except that a person who is retired from
 305 any state retirement system and is reemployed on or after
 306 December 1, 1970, may not renew his or her membership in any
 307 state retirement system except as provided in s. 121.091(5)(h)
 308 ~~121.091(4)(h)~~ for a person who recovers from disability, as
 309 provided in s. 121.053 for a person who is elected to public
 310 office, and, effective July 1, 1991, as provided in s. 121.122
 311 for all other retirees.

312 1. Officers and employees of the University Athletic

313 Association, Inc., a nonprofit association connected with the
 314 University of Florida, employed on and after July 1, 1979, may
 315 not participate in any state-supported retirement system.

316 2. Any person appointed on or after July 1, 1989, to a
 317 faculty position in a college at the J. Hillis Miller Health
 318 Center at the University of Florida or the Medical Center at the
 319 University of South Florida which has a faculty practice plan
 320 adopted by rule by the Board of Regents may not participate in
 321 the Florida Retirement System. Effective July 1, 2008, any
 322 person appointed to a faculty position, including clinical
 323 faculty, in a college at a state university that has a faculty
 324 practice plan authorized by the Board of Governors may not
 325 participate in the Florida Retirement System. A faculty member
 326 so appointed shall participate in the optional retirement
 327 program for the State University System notwithstanding s.
 328 121.35(2) (a). For purposes of this subparagraph, the term:

329 a. "Faculty position" means a position assigned the
 330 principal responsibility of teaching, research, or public
 331 service activities or administrative responsibility directly
 332 related to the academic mission of the college.

333 b. "Clinical faculty" means a faculty position appointment
 334 in conjunction with a professional position in a hospital or
 335 other clinical environment at a college.

336 c. "Faculty practice plan" includes professional services
 337 to patients, institutions, or other parties which are rendered
 338 by the clinical faculty employed by a college that has a faculty

339 practice plan at a state university authorized by the Board of
 340 Governors.

341 (2) OPTIONAL PARTICIPATION.—

342 (c) Employees of public community colleges or charter
 343 technical career centers sponsored by public community colleges,
 344 designated in s. 1000.21(3), who are members of the Regular
 345 Class of the Florida Retirement System and who comply with the
 346 criteria set forth in this paragraph and s. 1012.875 may, in
 347 lieu of participating in the Florida Retirement System, elect to
 348 withdraw from the system altogether and participate in the State
 349 Community College System Optional Retirement Program provided by
 350 the employing agency under s. 1012.875.

351 1.a. Through June 30, 2001, the cost to the employer for
 352 benefits under the optional retirement program equals the normal
 353 cost portion of the employer retirement contribution which would
 354 be required if the employee were a member of the pension plan's
 355 Regular Class, plus the portion of the contribution rate
 356 required by s. 112.363(8) which would otherwise be assigned to
 357 the Retiree Health Insurance Subsidy Trust Fund.

358 b. Effective July 1, 2001, through June 30, 2011, each
 359 employer shall contribute on behalf of each member of the
 360 optional program an amount equal to 10.43 percent of the
 361 employee's gross monthly compensation. The employer shall deduct
 362 an amount for the administration of the program.

363 c. Effective July 1, 2011, through June 30, 2012, each
 364 member shall contribute an amount equal to the employee

365 contribution required under s. 121.71(3). The employer shall
 366 contribute on behalf of each program member an amount equal to
 367 the difference between 10.43 percent of the employee's gross
 368 monthly compensation and the employee's required contribution
 369 based on the employee's gross monthly compensation.

370 d. Effective July 1, 2012, each member shall contribute an
 371 amount equal to the employee contribution required under s.
 372 121.71(3). The employer shall contribute on behalf of each
 373 program member an amount equal to the difference between 8.15
 374 percent of the employee's gross monthly compensation and the
 375 employee's required contribution based on the employee's gross
 376 monthly compensation.

377 e. The employer shall contribute an additional amount to
 378 the Florida Retirement System Trust Fund equal to the unfunded
 379 actuarial accrued liability portion of the Regular Class
 380 contribution rate.

381 2. The decision to participate in the optional retirement
 382 program is irrevocable as long as the employee holds a position
 383 eligible for participation, except as provided in subparagraph
 384 3. Any service creditable under the Florida Retirement System is
 385 retained after the member withdraws from the system; however,
 386 additional service credit in the system may not be earned while
 387 a member of the optional retirement program.

388 3. Effective July 1, 2003, through June 30, 2015, an
 389 employee who has elected to participate in the optional
 390 retirement program shall have one opportunity, at the employee's

391 discretion, to transfer from the optional retirement program to
 392 the pension plan of the Florida Retirement System or to the
 393 investment plan established under part II of this chapter,
 394 subject to the terms of the applicable optional retirement
 395 program contracts. Except as provided in subsection (3), an
 396 employee participating in the optional retirement program on or
 397 after July 1, 2015, is not eligible to transfer to the Florida
 398 Retirement System.

399 a. If the employee chooses to move to the investment plan,
 400 any contributions, interest, and earnings creditable to the
 401 employee under the optional retirement program are retained by
 402 the employee in the optional retirement program, and the
 403 applicable provisions of s. 121.4501(4) govern the election.

404 b. If the employee chooses to move to the pension plan of
 405 the Florida Retirement System, the employee shall receive
 406 service credit equal to his or her years of service under the
 407 optional retirement program.

408 (I) The cost for such credit is the amount representing
 409 the present value of the employee's accumulated benefit
 410 obligation for the affected period of service. The cost shall be
 411 calculated as if the benefit commencement occurs on the first
 412 date the employee becomes eligible for unreduced benefits, using
 413 the discount rate and other relevant actuarial assumptions that
 414 were used to value the Florida Retirement System Pension Plan
 415 liabilities in the most recent actuarial valuation. The
 416 calculation must include any service already maintained under

417 the pension plan in addition to the years under the optional
 418 retirement program. The present value of any service already
 419 maintained must be applied as a credit to total cost resulting
 420 from the calculation. The division must ensure that the transfer
 421 sum is prepared using a formula and methodology certified by an
 422 enrolled actuary.

423 (II) The employee must transfer from his or her optional
 424 retirement program account and from other employee moneys as
 425 necessary, a sum representing the present value of the
 426 employee's accumulated benefit obligation immediately following
 427 the time of such movement, determined assuming that attained
 428 service equals the sum of service in the pension plan and
 429 service in the optional retirement program.

430 4. Participation in the optional retirement program is
 431 limited to employees who satisfy the following eligibility
 432 criteria:

433 a. The employee is otherwise eligible for membership or
 434 renewed membership in the Regular Class of the Florida
 435 Retirement System, as provided in s. 121.021(11) and (12) or s.
 436 121.122.

437 b. The employee is employed in a full-time position
 438 classified in the Accounting Manual for Florida's Public
 439 Community Colleges as:

440 (I) Instructional; or

441 (II) Executive Management, Instructional Management, or
 442 Institutional Management and the community college determines

443 that recruiting to fill a vacancy in the position is to be
 444 conducted in the national or regional market, and the duties and
 445 responsibilities of the position include the formulation,
 446 interpretation, or implementation of policies, or the
 447 performance of functions that are unique or specialized within
 448 higher education and that frequently support the mission of the
 449 community college.

450 c. The employee is employed in a position not included in
 451 the Senior Management Service Class of the Florida Retirement
 452 System as described in s. 121.055.

453 5. Members of the program are subject to the same
 454 reemployment limitations, renewed membership provisions, and
 455 forfeiture provisions applicable to regular members of the
 456 Florida Retirement System under ss. 121.091(10) ~~121.091(9)~~,
 457 121.122, and 121.091(6) ~~121.091(5)~~, respectively. A member who
 458 receives a program distribution funded by employer and required
 459 employee contributions is deemed to be retired from a state-
 460 administered retirement system if the member is subsequently
 461 employed with an employer that participates in the Florida
 462 Retirement System.

463 6. Eligible community college employees are compulsory
 464 members of the Florida Retirement System until, pursuant to s.
 465 1012.875, a written election to withdraw from the system and
 466 participate in the optional retirement program is filed with the
 467 program administrator and received by the division.

468 a. A community college employee whose program eligibility

469 results from initial employment shall be enrolled in the
 470 optional retirement program retroactive to the first day of
 471 eligible employment. The employer and employee retirement
 472 contributions paid through the month of the employee plan change
 473 shall be transferred to the community college to the employee's
 474 optional program account, and, effective the first day of the
 475 next month, the employer shall pay the applicable contributions
 476 based upon subparagraph 1.

477 b. A community college employee whose program eligibility
 478 is due to the subsequent designation of the employee's position
 479 as one of those specified in subparagraph 4., or due to the
 480 employee's appointment, promotion, transfer, or reclassification
 481 to a position specified in subparagraph 4., must be enrolled in
 482 the program on the first day of the first full calendar month
 483 that such change in status becomes effective. The employer and
 484 employee retirement contributions paid from the effective date
 485 through the month of the employee plan change must be
 486 transferred to the community college to the employee's optional
 487 program account, and, effective the first day of the next month,
 488 the employer shall pay the applicable contributions based upon
 489 subparagraph 1.

490 7. Effective July 1, 2003, through December 31, 2008, any
 491 member of the optional retirement program who has service credit
 492 in the pension plan of the Florida Retirement System for the
 493 period between his or her first eligibility to transfer from the
 494 pension plan to the optional retirement program and the actual

495 date of transfer may, during employment, transfer to the
 496 optional retirement program a sum representing the present value
 497 of the accumulated benefit obligation under the defined benefit
 498 retirement program for the period of service credit. Upon
 499 transfer, all service credit previously earned under the pension
 500 plan during this period is nullified for purposes of entitlement
 501 to a future benefit under the pension plan.

502 (3) OPTIONAL PLAN MEMBERSHIP IN THE FLORIDA RETIREMENT
 503 SYSTEM.—Effective July 1, 2015:

504 (a) An employee who is initially enrolled in the Florida
 505 Retirement System on or after July 1, 2015, is not eligible to
 506 participate solely in the pension plan unless employed in a
 507 position covered by the Special Risk Class as provided in s.
 508 121.4501(4) (b) .

509 (b) An employee eligible to withdraw from the Florida
 510 Retirement System under s. 121.052(3) (d) or s. 121.055(1) (b) 2.
 511 may withdraw from the system or participate in the investment
 512 plan or the hybrid plan as provided under those sections. An
 513 employee eligible to participate in an optional retirement
 514 program under s. 121.051(2) (c) or s. 121.35 may participate in
 515 the optional retirement program, the investment plan, or the
 516 hybrid plan as provided under those sections. An employee
 517 required to participate in the optional retirement program under
 518 s. 121.35, pursuant to s. 121.051(1) (a), must elect to
 519 participate in the investment plan or the hybrid plan if the
 520 employee is later employed in a position that no longer

521 qualifies for the optional retirement program.

522 Section 4. Paragraph (c) of subsection (3), subsection
 523 (10), paragraph (c) of subsection (11), and paragraphs (b) and
 524 (c) of subsection (12) of section 121.052, Florida Statutes, are
 525 amended to read:

526 121.052 Membership class of elected officers.—

527 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective
 528 July 1, 1990, participation in the Elected Officers' Class shall
 529 be compulsory for elected officers listed in paragraphs (2) (a)-
 530 (d) and (f) assuming office on or after said date, unless the
 531 elected officer elects membership in another class or withdraws
 532 from the Florida Retirement System as provided in paragraphs
 533 (3) (a) - (d):

534 (c) Before July 1, 2015, any elected officer may, within 6
 535 months after assuming office, or within 6 months after this act
 536 becomes a law for serving elected officers, elect membership in
 537 the Senior Management Service Class as provided in s. 121.055 in
 538 lieu of membership in the Elected Officers' Class. Any such
 539 election made by a county elected officer shall have no effect
 540 upon the statutory limit on the number of nonelective full-time
 541 positions that may be designated by a local agency employer for
 542 inclusion in the Senior Management Service Class under s.
 543 121.055(1)(b)1.

544 (10) ACCRUED SERVICE VALUE.—

545 (a) Pension Plan Members.—A member of the Elected
 546 Officers' Class who is a Supreme Court justice, district court

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547 of appeal judge, circuit judge, or county court judge shall
 548 receive judicial retirement credit of 3 1/3 percent of average
 549 final compensation, and all other members shall receive elected
 550 officer accrual value of 3 percent of average final
 551 compensation, for each year of creditable service in such class.

552 (b) Hybrid Plan Members.—Effective July 1, 2015, a member
 553 of the Elected Officers' Class who is a Supreme Court justice,
 554 district court of appeal judge, circuit judge, or county court
 555 judge shall receive judicial retirement credit of X.XX percent
 556 of average final compensation, and all other members shall
 557 receive elected officer accrual value of X.XX percent of average
 558 final compensation, for each year of creditable service in such
 559 class.

560 (11) RETENTION OF CREDIT.—

561 (c) Any member of the Elected Officers' Class who leaves
 562 office or otherwise terminates membership in the retirement
 563 system for any reason other than death or retirement and who
 564 does not come under the provisions of paragraph (a) or paragraph
 565 (b) shall be subject to the termination benefit provisions of s.
 566 121.091(6) ~~121.091(5)~~.

567 (12) BENEFITS.—

568 (b) The benefit provisions of s. 121.091(3)-(7)
 569 ~~121.091(2)-(6), (8), (9), (10), and (12) (11)~~, relating to
 570 benefits payable for dual normal retirement ages, early
 571 retirement, disability retirement, termination benefits,
 572 optional forms of retirement, designation of beneficiaries,

573 employment after retirement, and method of computing actuarial
 574 equivalent, respectively, shall also apply to members of the
 575 Elected Officers' Class. These provisions shall be construed in
 576 such manner as to make them compatible with the provisions of
 577 this section.

578 (c) The benefit provisions of s. 121.091(8) ~~121.091(7)~~,
 579 relating to death benefits, shall apply to members of the
 580 Elected Officers' Class and shall be construed in such manner as
 581 to make them compatible with the provisions of this section,
 582 except that:

583 1. If any elected official dies in office who would have
 584 been vested under the Elected Officers' Class, any other class
 585 of the Florida Retirement System, or any other state-
 586 administered retirement system, if the official had lived to
 587 complete his or her term of office, the official's spouse may
 588 elect to leave the official's retirement contributions in the
 589 retirement trust fund and pay into said fund any required
 590 contributions which would have been paid by the officer or the
 591 employer had the officer lived to complete the term of office.

592 2. If a deceased member's surviving spouse as described in
 593 subparagraph 1. previously received a refund of the member's
 594 contributions made to the retirement trust fund, the surviving
 595 spouse may pay into the retirement trust fund an amount equal to
 596 the deceased member's contributions previously refunded,
 597 together with interest at 4 percent compounded annually on the
 598 amount of such refunded contributions from the date of refund

599 until July 1, 1975, and at 6.5 percent compounded annually
 600 thereafter to the date of payment, plus such additional
 601 contributions as may be required under subparagraph 1., in order
 602 to become vested, as applicable.

603

604 Upon conclusion of the term of office to which the deceased
 605 officer was elected, a spouse who pays into the retirement trust
 606 fund such additional or refunded contributions, plus interest,
 607 shall be eligible to receive a monthly benefit in the same
 608 manner as the surviving spouse of a member who dies after
 609 accumulating the required number of years of creditable service
 610 as described herein.

611 Section 5. Paragraph (f) of subsection (1), paragraph (d)
 612 of subsection (4), and paragraph (c) of subsection (6) of
 613 section 121.055, Florida Statutes, are amended to read:

614 121.055 Senior Management Service Class.—There is hereby
 615 established a separate class of membership within the Florida
 616 Retirement System to be known as the "Senior Management Service
 617 Class," which shall become effective February 1, 1987.

618 (1)

619 (f) Effective July 1, 1997, through June 30, 2015:

620 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and
 621 4., an elected state officer eligible for membership in the
 622 Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who
 623 elects membership in the Senior Management Service Class under
 624 s. 121.052(3)(c) may, within 6 months after assuming office or

625 within 6 months after this act becomes a law for serving elected
 626 state officers, elect to participate in the Senior Management
 627 Service Optional Annuity Program, as provided in subsection (6),
 628 in lieu of membership in the Senior Management Service Class.

629 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and
 630 4., an elected officer of a local agency employer eligible for
 631 membership in the Elected Officers' Class under s. 121.052(2)(d)
 632 who elects membership in the Senior Management Service Class
 633 under s. 121.052(3)(c) may, within 6 months after assuming
 634 office, or within 6 months after this act becomes a law for
 635 serving elected officers of a local agency employer, elect to
 636 withdraw from the Florida Retirement System, as provided in
 637 subparagraph (b)2., in lieu of membership in the Senior
 638 Management Service Class.

639 3. A retiree of a state-administered retirement system who
 640 is initially reemployed in a regularly established position on
 641 or after July 1, 2010, as an elected official eligible for the
 642 Elected Officers' Class may not be enrolled in renewed
 643 membership in the Senior Management Service Class or in the
 644 Senior Management Service Optional Annuity Program as provided
 645 in subsection (6), and may not withdraw from the Florida
 646 Retirement System as a renewed member as provided in
 647 subparagraph (b)2., as applicable, in lieu of membership in the
 648 Senior Management Service Class.

649 4. On or after July 1, 2015, an elected official eligible
 650 for membership in the Elected Officers' Class may not enroll in

651 the Senior Management Service Class or in the Senior Management
 652 Service Optional Annuity Program as provided in subsection (6).

653 (4)

654 (d) A pension plan member of the Senior Management Service
 655 Class shall receive retirement credit at the rate of 2 percent
 656 of average final compensation for each year of service in such
 657 class after January 31, 1987. A hybrid plan member of the Senior
 658 Management Service Class shall receive retirement credit at the
 659 rate of X.XX percent of average final compensation for each year
 660 of service in such class after June 30, 2015.

661 (6)

662 (c) Participation.—

663 1. An eligible employee who is employed on or before
 664 February 1, 1987, may elect to participate in the optional
 665 annuity program in lieu of participating in the Senior
 666 Management Service Class. Such election must be made in writing
 667 and filed with the department and the personnel officer of the
 668 employer on or before May 1, 1987. An eligible employee who is
 669 employed on or before February 1, 1987, and who fails to make an
 670 election to participate in the optional annuity program by May
 671 1, 1987, shall be deemed to have elected membership in the
 672 Senior Management Service Class.

673 2. Except as provided in subparagraph 6., an employee who
 674 becomes eligible to participate in the optional annuity program
 675 by reason of initial employment commencing after February 1,
 676 1987, may, within 90 days after the date of commencing

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677 employment, elect to participate in the optional annuity
678 program. Such election must be made in writing and filed with
679 the personnel officer of the employer. An eligible employee who
680 does not within 90 days after commencing employment elect to
681 participate in the optional annuity program shall be deemed to
682 have elected membership in the Senior Management Service Class.

683 3. A person who is appointed to a position in the Senior
684 Management Service Class and who is a member of an existing
685 retirement system or the Special Risk or Special Risk
686 Administrative Support Classes of the Florida Retirement System
687 may elect to remain in such system or class in lieu of
688 participating in the Senior Management Service Class or optional
689 annuity program. Such election must be made in writing and filed
690 with the department and the personnel officer of the employer
691 within 90 days after such appointment. An eligible employee who
692 fails to make an election to participate in the existing system,
693 the Special Risk Class of the Florida Retirement System, the
694 Special Risk Administrative Support Class of the Florida
695 Retirement System, or the optional annuity program shall be
696 deemed to have elected membership in the Senior Management
697 Service Class.

698 4. Except as provided in subparagraph 5., an employee's
699 election to participate in the optional annuity program is
700 irrevocable if the employee continues to be employed in an
701 eligible position and continues to meet the eligibility
702 requirements set forth in this paragraph.

703 5. Effective from July 1, 2002, through September 30,
 704 2002, an active employee in a regularly established position who
 705 has elected to participate in the Senior Management Service
 706 Optional Annuity Program has one opportunity to choose to move
 707 from the Senior Management Service Optional Annuity Program to
 708 the Florida Retirement System Pension Plan.

709 a. The election must be made in writing and must be filed
 710 with the department and the personnel officer of the employer
 711 before October 1, 2002, or, in the case of an active employee
 712 who is on a leave of absence on July 1, 2002, within 90 days
 713 after the conclusion of the leave of absence. This election is
 714 irrevocable.

715 b. The employee shall receive service credit under the
 716 pension plan equal to his or her years of service under the
 717 Senior Management Service Optional Annuity Program. The cost for
 718 such credit is the amount representing the present value of that
 719 employee's accumulated benefit obligation for the affected
 720 period of service.

721 c. The employee must transfer the total accumulated
 722 employer contributions and earnings on deposit in his or her
 723 Senior Management Service Optional Annuity Program account. If
 724 the transferred amount is not sufficient to pay the amount due,
 725 the employee must pay a sum representing the remainder of the
 726 amount due. The employee may not retain any employer
 727 contributions or earnings from the Senior Management Service
 728 Optional Annuity Program account.

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729 6. A retiree of a state-administered retirement system who
730 is initially reemployed on or after July 1, 2010, may not renew
731 membership in the Senior Management Service Optional Annuity
732 Program.

733 7. Effective July 1, 2015, the Senior Management Service
734 Optional Annuity Program is closed to new members. Members
735 enrolled in the Senior Management Service Optional Annuity
736 Program before July 1, 2015, may retain their membership in the
737 annuity program.

738 Section 6. Section 121.091, Florida Statutes, is amended
739 to read:

740 121.091 Benefits payable under the system.—Benefits may
741 not be paid under this section unless the member has terminated
742 employment as provided in s. 121.021(39)(a) or begun
743 participation in the Deferred Retirement Option Program as
744 provided in subsection (14) ~~(13)~~, and a proper application has
745 been filed in the manner prescribed by the department. The
746 department may cancel an application for retirement benefits
747 when the member or beneficiary fails to timely provide the
748 information and documents required by this chapter and the
749 department's rules. The department shall adopt rules
750 establishing procedures for application for retirement benefits
751 and for the cancellation of such application when the required
752 information or documents are not received.

753 (1) NORMAL RETIREMENT BENEFIT FOR PENSION PLAN MEMBERS.—
754 Upon attaining his or her normal retirement date, the member,

755 upon application to the administrator, shall receive a monthly
 756 benefit which shall begin to accrue on the first day of the
 757 month of retirement and be payable on the last day of that month
 758 and each month thereafter during his or her lifetime. The normal
 759 retirement benefit, including any past or additional retirement
 760 credit, may not exceed 100 percent of the average final
 761 compensation. The amount of monthly benefit shall be calculated
 762 as the product of A and B, subject to the adjustment of C, if
 763 applicable, as set forth below:

764 (a)1. For creditable years of Regular Class service or
 765 Special Risk Administrative Support Class service, A is 1.60
 766 percent of the member's average final compensation, up to the
 767 member's normal retirement date. Upon completion of the first
 768 year after the normal retirement date, A is 1.63 percent of the
 769 member's average final compensation. Following the second year
 770 after the normal retirement date, A is 1.65 percent of the
 771 member's average final compensation. Following the third year
 772 after the normal retirement date, and for subsequent years, A is
 773 1.68 percent of the member's average final compensation.

774 2. For creditable years of special risk service, A is:

775 a. Two percent of the member's average final compensation
 776 for all creditable years prior to October 1, 1974;

777 b. Three percent of the member's average final
 778 compensation for all creditable years after September 30, 1974,
 779 and before October 1, 1978;

780 c. Two percent of the member's average final compensation

781 for all creditable years after September 30, 1978, and before
 782 January 1, 1989;

783 d. Two and two-tenths percent of the member's final
 784 monthly compensation for all creditable years after December 31,
 785 1988, and before January 1, 1990;

786 e. Two and four-tenths percent of the member's average
 787 final compensation for all creditable years after December 31,
 788 1989, and before January 1, 1991;

789 f. Two and six-tenths percent of the member's average
 790 final compensation for all creditable years after December 31,
 791 1990, and before January 1, 1992;

792 g. Two and eight-tenths percent of the member's average
 793 final compensation for all creditable years after December 31,
 794 1991, and before January 1, 1993;

795 h. Three percent of the member's average final
 796 compensation for all creditable years after December 31, 1992;
 797 and

798 i. Three percent of the member's average final
 799 compensation for all creditable years of service after September
 800 30, 1978, and before January 1, 1993, for any special risk
 801 member who retires after July 1, 2000, or any member of the
 802 Special Risk Administrative Support Class entitled to retain the
 803 special risk normal retirement date who was a member of the
 804 Special Risk Class during the time period and who retires after
 805 July 1, 2000.

806 3. For creditable years of Senior Management Service Class

807 service after January 31, 1987, A is 2 percent;

808 4. For creditable years of Elected Officers' Class service
 809 as a Supreme Court Justice, district court of appeal judge,
 810 circuit judge, or county court judge, A is 3 1/3 percent of the
 811 member's average final compensation, and for all other
 812 creditable service in such class, A is 3 percent of average
 813 final compensation;

814 (b) B is the number of the member's years and any
 815 fractional part of a year of creditable service earned
 816 subsequent to November 30, 1970; and

817 (c) C is the normal retirement benefit credit brought
 818 forward as of November 30, 1970, by a former member of an
 819 existing system. Such normal retirement benefit credit shall be
 820 determined as the product of X and Y when X is the percentage of
 821 average final compensation which the member would have been
 822 eligible to receive if the member had attained his or her normal
 823 retirement date as of November 30, 1970, all in accordance with
 824 the existing system under which the member is covered on
 825 November 30, 1970, and Y is average final compensation as
 826 defined in s. 121.021(24). However, any member of an existing
 827 retirement system who is eligible to retire and who does retire,
 828 become disabled, or die prior to April 15, 1971, may have his or
 829 her retirement benefits calculated on the basis of the best 5 of
 830 the last 10 years of service.

831 (d) For members initially enrolled before July 1, 2011, a
 832 member's average final compensation shall be determined by

833 formula to obtain the coverage for the 5 highest fiscal years'
 834 salaries, calculated as provided by rule.

835 (e) For members initially enrolled on or after July 1,
 836 2011, a member's average final compensation shall be determined
 837 by formula to obtain the coverage for the 8 highest fiscal
 838 years' salaries, calculated as provided by rule.

839 (2) NORMAL RETIREMENT BENEFIT FOR HYBRID PLAN MEMBERS.—
 840 Effective July 1, 2015, upon attaining his or her normal
 841 retirement date, the member, upon application to the
 842 administrator, shall receive a monthly benefit which shall begin
 843 to accrue on the first day of the month of retirement and be
 844 payable on the last day of that month and each month thereafter
 845 during his or her lifetime. The normal retirement benefit,
 846 including any past or additional retirement credit, may not
 847 exceed 100 percent of the average final compensation. The amount
 848 of monthly benefit shall be calculated as the product of A and
 849 B, as set forth below:

850 (a)1. For creditable years of Regular Class service or
 851 Special Risk Administrative Support Class service, A is X.XX
 852 percent of the member's average final compensation, up to the
 853 member's normal retirement date. Upon completion of the first
 854 year after the normal retirement date, A is X.XX percent of the
 855 member's average final compensation. Following the second year
 856 after the normal retirement date, A is X.XX percent of the
 857 member's average final compensation. Following the third year
 858 after the normal retirement date, and for subsequent years, A is

859 X.XX percent of the member's average final compensation.
 860 2. For creditable years of Special Risk Class service, A
 861 is X.XX percent of the member's average final compensation.
 862 3. For creditable years of Senior Management Service Class
 863 service, A is X.XX percent.
 864 4. For creditable years of Elected Officers' Class service
 865 for a member who is a Supreme Court justice, district court of
 866 appeal judge, circuit judge, or county court judge, A is X.XX
 867 percent of the member's average final compensation, and all
 868 other members shall receive elected officer accrual value of
 869 X.XX percent of average final compensation for each year of
 870 creditable service in such class.
 871 (b) B is the number of the member's years and any
 872 fractional part of a year of creditable service earned.
 873 (c) For all members initially enrolled before July 1,
 874 2011, a member's average final compensation shall be determined
 875 by formula to obtain the coverage for the 5 highest fiscal
 876 years' salaries, calculated as provided by rule.
 877 (d) For all members initially enrolled on or after July 1,
 878 2011, a member's average final compensation shall be determined
 879 by formula to obtain the coverage for the 8 highest fiscal
 880 years' salaries, calculated as provided by rule.
 881 (3) ~~(2)~~ BENEFITS PAYABLE FOR DUAL NORMAL RETIREMENT AGES.—
 882 If a member accumulates retirement benefits to commence at
 883 different normal retirement ages by virtue of having performed
 884 duties for an employer which would entitle him or her to

885 benefits as both a member of the Special Risk Class and a member
 886 of either the Regular Class, Senior Management Service Class, or
 887 Elected Officers' Class, the amount of benefits payable shall be
 888 computed separately with respect to each such age and the sum of
 889 such computed amounts shall be paid as provided in this section.

890 ~~(4)(3)~~ EARLY RETIREMENT BENEFIT.—Upon retirement on his or
 891 her early retirement date, the member shall receive an immediate
 892 monthly benefit that shall begin to accrue on the first day of
 893 the month of the retirement date and be payable on the last day
 894 of that month and each month thereafter during his or her
 895 lifetime. Such benefit shall be calculated as follows:

896 (a) For a member initially enrolled:

897 1. Before July 1, 2011, the amount of each monthly payment
 898 shall be computed in the same manner as for a normal retirement
 899 benefit, in accordance with subsection (1) for members of the
 900 pension plan, and in accordance with subsection (2) for members
 901 of the hybrid plan, but shall be based on the member's average
 902 monthly compensation and creditable service as of the member's
 903 early retirement date. The benefit so computed shall be reduced
 904 by five-twelfths of 1 percent for each complete month by which
 905 the early retirement date precedes the normal retirement date of
 906 age 62 for a member of the Regular Class, Senior Management
 907 Service Class, or the Elected Officers' Class, and age 55 for a
 908 member of the Special Risk Class, or age 52 if a Special Risk
 909 member has completed 25 years of creditable service in
 910 accordance with s. 121.021(29)(b)1.c.

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911 2. On or after July 1, 2011, the amount of each monthly
 912 payment shall be computed in the same manner as for a normal
 913 retirement benefit, in accordance with subsection (1) for
 914 members of the pension plan, and in accordance with subsection
 915 (2) for members of the hybrid plan, but shall be based on the
 916 member's average monthly compensation and creditable service as
 917 of the member's early retirement date. The benefit so computed
 918 shall be reduced by five-twelfths of 1 percent for each complete
 919 month by which the early retirement date precedes the normal
 920 retirement date of age 65 for a member of the Regular Class,
 921 Senior Management Service Class, or the Elected Officers' Class,
 922 and age 60 for a member of the Special Risk Class, or age 57 if
 923 a special risk member has completed 30 years of creditable
 924 service in accordance with s. 121.021(29)(b)2.c.

925 (b) If the employment of a member is terminated by reason
 926 of death within 10 years before normal retirement as described
 927 in s. 121.021(29)(a)1.b. or s. 121.021(29)(a)2.b., the monthly
 928 benefit payable to the member's beneficiary shall be calculated
 929 in accordance with subsection (1) for members of the pension
 930 plan, and in accordance with subsection (2) for members of the
 931 hybrid plan, but must be based on average monthly compensation
 932 and creditable service as of the date of death. The benefit so
 933 computed shall be reduced by five-twelfths of 1 percent for each
 934 complete month by which death precedes the normal retirement
 935 date specified above or the date on which the member would have
 936 attained the normal retirement date had he or she survived and

937 continued his or her employment, whichever provides a higher
 938 benefit.

939 (5)~~(4)~~ DISABILITY RETIREMENT BENEFIT.—

940 (a) Disability retirement; entitlement and effective
 941 date.—

942 1.a. A member who becomes totally and permanently
 943 disabled, as defined in paragraph (b), after completing 5 years
 944 of creditable service, or a member who becomes totally and
 945 permanently disabled in the line of duty regardless of service,
 946 is entitled to a monthly disability benefit; except that any
 947 member with less than 5 years of creditable service on July 1,
 948 1980, or any person who becomes a member of the Florida
 949 Retirement System on or after such date must have completed 10
 950 years of creditable service before becoming totally and
 951 permanently disabled in order to receive disability retirement
 952 benefits for any disability which occurs other than in the line
 953 of duty. However, if a member employed on July 1, 1980, who has
 954 less than 5 years of creditable service as of that date becomes
 955 totally and permanently disabled after completing 5 years of
 956 creditable service and is found not to have attained fully
 957 insured status for benefits under the federal Social Security
 958 Act, such member is entitled to a monthly disability benefit.

959 b. Effective July 1, 2001, a member of the pension plan
 960 who becomes totally and permanently disabled, as defined in
 961 paragraph (b), after completing 8 years of creditable service,
 962 or a member who becomes totally and permanently disabled in the

963 line of duty regardless of service, is entitled to a monthly
 964 disability benefit.

965 c. Effective July 1, 2015, a member of the hybrid plan who
 966 becomes totally and permanently disabled, as defined in
 967 paragraph (b), after completing 8 years of creditable service,
 968 or who becomes totally and permanently disabled in the line of
 969 duty regardless of service, is entitled to a monthly disability
 970 benefit. Such disability benefit must be funded from employer
 971 contributions made under s. 121.571, transferred employee
 972 contributions and funds accumulated in the investment plan, and
 973 interest and earnings thereon. All moneys accumulated in the
 974 member's account must be transferred from such individual
 975 account to the division for deposit in the disability account of
 976 the Florida Retirement System Trust Fund. Such moneys must be
 977 accounted for separately. Earnings must be credited on an annual
 978 basis for amounts held in the disability accounts of the Florida
 979 Retirement System Trust Fund on actual earnings in the trust
 980 fund.

981 2. If the division has received from the employer the
 982 required documentation of the member's termination of
 983 employment, the effective retirement date for a member who
 984 applies and is approved for disability retirement shall be
 985 established by rule of the division.

986 3. For a member who is receiving Workers' Compensation
 987 payments, the effective disability retirement date may not
 988 precede the date the member reaches Maximum Medical Improvement

989 (MMI), unless the member terminates employment before reaching
 990 MMI.

991 (b) Total and permanent disability.—A member shall be
 992 considered totally and permanently disabled if, in the opinion
 993 of the administrator, he or she is prevented, by reason of a
 994 medically determinable physical or mental impairment, from
 995 rendering useful and efficient service as an officer or
 996 employee.

997 (c) Proof of disability.—The administrator, before
 998 approving payment of any disability retirement benefit, shall
 999 require proof that the member is totally and permanently
 1000 disabled as provided herein:

1001 1. Such proof shall include the certification of the
 1002 member's total and permanent disability by two licensed
 1003 physicians of the state and such other evidence of disability as
 1004 the administrator may require, including reports from vocational
 1005 rehabilitation, evaluation, or testing specialists who have
 1006 evaluated the applicant for employment. A member whose position
 1007 with an employer requires that the member work full time outside
 1008 this state in the United States may include certification by two
 1009 licensed physicians of the state where the member works.

1010 2. It must be documented that:

1011 a. The member's medical condition occurred or became
 1012 symptomatic during the time the member was employed in an
 1013 employee/employer relationship with his or her employer;

1014 b. The member was totally and permanently disabled at the

1015 time he or she terminated covered employment; and

1016 c. The member has not been employed with any other
1017 employer after such termination.

1018 3. If the application is for in-line-of-duty disability,
1019 in addition to the requirements of subparagraph 2., it must be
1020 documented by competent medical evidence that the disability was
1021 caused by a job-related illness or accident which occurred while
1022 the member was in an employee/employer relationship with his or
1023 her employer.

1024 4. The unavailability of an employment position that the
1025 member is physically and mentally capable of performing will not
1026 be considered as proof of total and permanent disability.

1027 (d) Election on appeal.—A member whose application for
1028 regular disability retirement has been denied and who has filed
1029 an appeal to the State Retirement Commission may, if eligible,
1030 elect to receive normal or early service retirement benefits
1031 while he or she is awaiting the decision on the appeal. However:

1032 1. If the member elects to receive service retirement
1033 benefits and disability benefits are later approved as a result
1034 of the appeal, the payment option chosen by the member may not
1035 be changed.

1036 2. If the member elects to receive early service
1037 retirement and the appeal is later denied, the member may not
1038 change his or her election of early retirement.

1039

1040 Before such regular or early retirement benefits may be paid by

1041 the division, the member must provide to the division a written
 1042 statement indicating that the member understands that such
 1043 changes are not permitted after he or she begins receiving the
 1044 benefits.

1045 (e) Disability retirement benefit.—Upon the retirement of
 1046 a member on his or her disability retirement date, the member
 1047 shall receive a monthly benefit that shall begin to accrue on
 1048 the first day of the month of disability retirement and shall be
 1049 payable on the last day of that month and each month thereafter
 1050 during his or her lifetime and continued disability.

1051 (f) Computation of disability retirement benefit.—The
 1052 amount of each monthly payment shall be computed in the same
 1053 manner as for a normal retirement benefit, in accordance with
 1054 subsection (1) for members of the pension plan and for members
 1055 of the hybrid plan, but shall be based on disability option
 1056 actuarial equivalency tables and the average monthly
 1057 compensation and creditable service of the member as of the
 1058 disability retirement date, subject to the following conditions:

1059 1. If the member's disability occurred in the line of
 1060 duty, the monthly Option 1 benefit shall not be less than:

1061 a. Forty-two percent of average monthly compensation as of
 1062 the disability retirement date; or

1063 b. Sixty-five percent of the average monthly compensation
 1064 as of the disability retirement date for a member of the special
 1065 risk class who retires on or after July 1, 2000; or

1066 2. If the member's disability occurred other than in the

1067 line of duty, the monthly Option 1 benefit shall not be less
 1068 than 25 percent of average monthly compensation as of the
 1069 disability retirement date.

1070 (g) Reapplication.—A member, whose initial application for
 1071 disability retirement has been denied, may reapply for
 1072 disability benefits. However, such member's reapplication will
 1073 be considered only if the member presents new medical evidence
 1074 of a medical condition that existed prior to the member's
 1075 termination of employment. The division may prescribe by rule
 1076 procedures for reapplication and for review and approval or
 1077 disapproval of reapplication.

1078 (h) Recovery from disability.—The administrator may
 1079 require periodic reexaminations at the expense of the retirement
 1080 fund. The division may adopt rules establishing procedures for
 1081 conducting and review of such reexaminations.

1082 1. If the administrator finds that a member who is
 1083 receiving disability benefits is, at any time prior to his or
 1084 her normal retirement date, no longer disabled, the
 1085 administrator shall direct that the benefits be discontinued.
 1086 The decision of the administrator on this question shall be
 1087 final and binding. If such member:

1088 a. Does not reenter the employ of an employer and was not
 1089 vested as of the disability retirement date, he or she shall be
 1090 entitled to the excess, if any, of his or her accumulated
 1091 contributions over the total disability benefits received up to
 1092 the date of recovery.

1093 b. Does not reenter the employ of an employer, but was
 1094 vested as of the disability retirement date, he or she may elect
 1095 to receive:

1096 (I) The excess, if any, of his or her accumulated
 1097 contributions over the total disability benefits received up to
 1098 the date of recovery; or

1099 (II) A deferred benefit commencing on the last day of the
 1100 month of the normal retirement date which shall be payable on
 1101 the last day of the month thereafter during his or her lifetime.
 1102 The amount of such monthly benefit shall be computed in the same
 1103 manner as for a normal retirement benefit, in accordance with
 1104 subsection (1) for members of the pension plan, and in
 1105 accordance with subsection (2) for members of the hybrid plan,
 1106 but shall be based on average monthly compensation and
 1107 creditable service as of the member's disability retirement
 1108 date.

1109 c. Reenters employment of an employer within 6 months
 1110 after recovery, the member's service will be deemed to have been
 1111 continuous, but the period beginning with the first month for
 1112 which he or she received a disability benefit payment and ending
 1113 with the date he or she reentered employment will not be
 1114 considered as creditable service for the purpose of computing
 1115 benefits except as provided in sub-subparagraph d. As used in
 1116 this section, the term "accumulated contributions" for such
 1117 member means the excess of the member's accumulated
 1118 contributions as of the disability retirement date over the

1119 total disability benefits received under paragraph (e).
 1120 d. Terminates his or her disability benefit, reenters
 1121 covered employment, and is continuously employed for a minimum
 1122 of 1 year of creditable service, he or she may claim as
 1123 creditable service the months during which he or she was
 1124 receiving a disability benefit, upon payment of the required
 1125 contributions. Contributions shall equal the total required
 1126 employee and employer contribution rate applicable during the
 1127 period the retiree received retirement benefits, multiplied
 1128 times his or her rate of monthly compensation prior to the
 1129 commencement of disability retirement for each month of the
 1130 period claimed, plus 4 percent interest until July 1, 1975, and
 1131 6.5 percent interest thereafter, compounded annually each June
 1132 30 to the date of payment. If the member does not claim credit
 1133 for all of the months he or she received disability benefits,
 1134 the months claimed must be the most recent months of retirement.
 1135 Such credit for periods of disability, when purchased under the
 1136 Florida Retirement System, shall apply toward vesting
 1137 requirements for eligibility to purchase additional credit for
 1138 other service.
 1139 2. Both the member receiving disability benefits who
 1140 reenters employment and the employer employing such disability
 1141 retiree shall notify the division immediately upon reemployment,
 1142 and the division shall terminate such member's disability
 1143 benefits, effective the first day of the month following the
 1144 month in which notification of recovery is received. If the

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1145 member is reemployed with a Florida Retirement System employer
 1146 at the time of benefit termination, and he or she has received
 1147 disability retirement benefit and salary payments concurrently
 1148 prior to notifying the division, he or she may elect within 30
 1149 days to:

1150 a. Retain the retirement benefits received prior to
 1151 termination of disability benefits and begin receiving
 1152 retirement service credit effective upon the date of termination
 1153 of benefits; or

1154 b. Repay, within 12 months after his or her decision to
 1155 receive service credit, the retirement benefits received for
 1156 each month of reemployment prior to termination of disability
 1157 benefits and begin receiving retirement service credit effective
 1158 upon the date of reemployment. Any such unpaid benefits shall
 1159 have compound interest of 6.5 percent added June 30.

1160
 1161 A member may not receive both retirement service credit for
 1162 employment and retirement benefits for the same month.

1163 3. If, after recovery of disability and reentry into
 1164 covered employment, the member again becomes disabled and is
 1165 again approved for disability retirement, the Option 1 monthly
 1166 retirement benefit shall not be less than the Option 1 monthly
 1167 benefit calculated at the time of the previous disability, plus
 1168 any cost of living increases up to the time the disability
 1169 benefit was terminated upon his or her reentry into covered
 1170 employment.

1171 (i) Nonadmissible causes of disability.—A member shall not
 1172 be entitled to receive any disability retirement benefit if the
 1173 disability is a result of any of the following:

1174 1. Injury or disease sustained by the member while
 1175 willfully participating in a riot, civil insurrection, or other
 1176 act of violence or while committing a felony;

1177 2. Injury or disease sustained by the member after his or
 1178 her employment has terminated; or

1179 3. Intentional, self-inflicted injury.

1180 (j) Disability retirement of justice or judge by order of
 1181 Supreme Court.—

1182 1. If a member is a justice of the Supreme Court, judge of
 1183 a district court of appeal, circuit judge, or judge of a county
 1184 court who has served for the number of years equal to, or
 1185 greater than, the vesting requirement in s. 121.021(45) as an
 1186 elected constitutional judicial officer, including service as a
 1187 judicial officer, in any court abolished pursuant to Art. V of
 1188 the State Constitution, and who is retired for disability by
 1189 order of the Supreme Court upon recommendation of the Judicial
 1190 Qualifications Commission pursuant to Art. V of the State
 1191 Constitution, the member's Option 1 monthly benefit as provided
 1192 in subparagraph (7) (a)1. ~~(6) (a)1.~~ may not be less than two-
 1193 thirds of his or her monthly compensation as of the member's
 1194 disability retirement date. Such member may alternatively elect
 1195 to receive a disability retirement benefit under any other
 1196 option as provided in paragraph (7) (a) ~~(6) (a)~~.

1197 2. Should any justice or judge who is a member of the
 1198 Florida Retirement System Pension Plan be retired for disability
 1199 by order of the Supreme Court upon recommendation of the
 1200 Judicial Qualifications Commission pursuant to Art. V of the
 1201 State Constitution, then all contributions to his or her account
 1202 and all contributions made on his or her behalf by the employer
 1203 shall be transferred to and deposited in the General Revenue
 1204 Fund of the state, and there is hereby appropriated annually out
 1205 of the General Revenue Fund, to be paid into the Florida
 1206 Retirement System Fund, an amount necessary to pay the benefits
 1207 of all justices and judges retired from the Florida Retirement
 1208 System pursuant to Art. V of the State Constitution. Florida
 1209 Retirement System Hybrid Plan member and employer contributions
 1210 shall be transferred to and deposited according to the
 1211 provisions in paragraph (a).

1212 (6)~~(5)~~ TERMINATION BENEFITS.—A member whose employment is
 1213 terminated prior to retirement retains membership rights to
 1214 previously earned member-noncontributory service credit, and to
 1215 member-contributory service credit, if the member leaves the
 1216 member contributions on deposit in his or her retirement
 1217 account. If a terminated member receives a refund of member
 1218 contributions, such member may reinstate membership rights to
 1219 the previously earned service credit represented by the refund
 1220 by completing 1 year of creditable service and repaying the
 1221 refunded member contributions, plus interest. Effective July 1,
 1222 2015, a member of the hybrid plan who takes a distribution of

1223 member contributions is considered retired as provided in s.
 1224 121.591.

1225 (a) A member whose employment is terminated for any reason
 1226 other than death or retirement before becoming vested is
 1227 entitled to the return of his or her accumulated contributions
 1228 as of the date of termination. Effective July 1, 2011, upon
 1229 termination of employment from all participating employers for 3
 1230 calendar months as defined in s. 121.021(39)(c) for any reason
 1231 other than retirement, a member may receive a refund of all
 1232 contributions he or she has made to the pension plan, subject to
 1233 the restrictions otherwise provided in this chapter. The refund
 1234 may be received as a lump-sum payment, a rollover to a qualified
 1235 plan, or a combination of these methods. Partial refunds are not
 1236 permitted. The refund may not include any interest earnings on
 1237 the contributions for a member of the pension plan. Employer
 1238 contributions made on behalf of the member are not refundable. A
 1239 member may not receive a refund of employee contributions if a
 1240 pending or an approved qualified domestic relations order is
 1241 filed against his or her retirement account. By obtaining a
 1242 refund of contributions, a member waives all rights under the
 1243 Florida Retirement System and the health insurance subsidy to
 1244 the service credit represented by the refunded contributions,
 1245 except the right to purchase his or her prior service credit in
 1246 accordance with s. 121.081(2).

1247 (b) A member whose employment is terminated for any reason
 1248 other than death or retirement after becoming vested may elect

1249 to receive a deferred monthly benefit which shall begin to
 1250 accrue on the first day of the month of normal or early
 1251 retirement and shall be payable on the last day of that month
 1252 and each month thereafter during his or her lifetime. The amount
 1253 of monthly benefit shall be computed in the same manner as for a
 1254 normal retirement benefit in accordance with subsection (1) for
 1255 members of the pension plan, in accordance with subsection (2)
 1256 for members of the hybrid plan, or early retirement benefit in
 1257 accordance with s. 121.021(30), but based on average monthly
 1258 compensation and creditable service as of the date of
 1259 termination.

1260 (c) In lieu of the deferred monthly benefit provided in
 1261 paragraph (b), the terminated member may elect to receive a
 1262 lump-sum amount equal to his or her accumulated contributions as
 1263 of the date of termination. Effective July 1, 2011, upon
 1264 termination of employment from all participating employers for 3
 1265 calendar months as defined in s. 121.021(39)(c) for any reason
 1266 other than retirement, a member may receive a refund of all
 1267 contributions he or she has made to the pension plan, subject to
 1268 the restrictions otherwise provided in this chapter. Partial
 1269 refunds are not permitted. The refund may not include any
 1270 interest earnings on the contributions for a member of the
 1271 pension plan. Employer contributions made on behalf of the
 1272 member are not refundable. A member may not receive a refund of
 1273 employee contributions if a pending or an approved qualified
 1274 domestic relations order is filed against his or her retirement

1275 account. By obtaining a refund of contributions, a member waives
 1276 all rights under the Florida Retirement System and the health
 1277 insurance subsidy to the service credit represented by the
 1278 refunded contributions, except the right to purchase his or her
 1279 prior service credit in accordance with s. 121.081(2).

1280 (d) If any retired member dies without having received in
 1281 benefit payments an amount equal to his or her accumulated
 1282 contributions, there shall be payable to his or her designated
 1283 beneficiary an amount equal to the excess, if any, of the
 1284 member's accumulated contributions over the total monthly
 1285 payments made to the member prior to the date of death.

1286 (e) A member shall be deemed a terminated member when
 1287 termination of employment has occurred as provided in s.
 1288 121.021(39).

1289 (f) Any member who has been found guilty by a verdict of a
 1290 jury, or by the court trying the case without a jury, of
 1291 committing, aiding, or abetting any embezzlement or theft from
 1292 his or her employer, bribery in connection with the employment,
 1293 or other felony specified in chapter 838, except ss. 838.15 and
 1294 838.16, committed prior to retirement, or who has entered a plea
 1295 of guilty or of nolo contendere to such crime, or any member
 1296 whose employment is terminated by reason of the member's
 1297 admitted commitment, aiding, or abetting of an embezzlement or
 1298 theft from his or her employer, bribery, or other felony
 1299 specified in chapter 838, except ss. 838.15 and 838.16, shall
 1300 forfeit all rights and benefits under this chapter, except the

1301 return of his or her accumulated contributions as of the date of
 1302 termination.

1303 (g) Any elected official who is convicted by the Senate of
 1304 an impeachable offense shall forfeit all rights and benefits
 1305 under this chapter, except the return of his or her accumulated
 1306 contributions as of the date of the conviction.

1307 (h) Any member who, prior to retirement, is adjudged by a
 1308 court of competent jurisdiction to have violated any state law
 1309 against strikes by public employees, or who has been found
 1310 guilty by such court of violating any state law prohibiting
 1311 strikes by public employees, shall forfeit all rights and
 1312 benefits under this chapter, except the return of his or her
 1313 accumulated contributions as of the date of the conviction.

1314 (i) The division may not pay benefits to any member
 1315 convicted of a felony committed on or after October 1, 2008,
 1316 defined in s. 800.04 against a victim younger than 16 years of
 1317 age, or defined in chapter 794 against a victim younger than 18
 1318 years of age, through the use or attempted use of power, rights,
 1319 privileges, duties, or position of the member's public office or
 1320 employment position. However, the division shall return the
 1321 member's accumulated contributions, if any, that the member
 1322 accumulated as of the date of conviction.

1323 (j) Any beneficiary who by a verdict of a jury or by the
 1324 court trying the case without a jury is found guilty, or who has
 1325 entered a plea of guilty or nolo contendere, of unlawfully and
 1326 intentionally killing or procuring the death of the member

1327 forfeits all rights to the deceased member's benefits under this
 1328 chapter, and the benefits will be paid as if such beneficiary
 1329 had predeceased the decedent.

1330 (k) Benefits shall not be paid by the division pending
 1331 final resolution of such charges against a member or beneficiary
 1332 if the resolution of such charges could require the forfeiture
 1333 of benefits as provided in paragraph (f), paragraph (g),
 1334 paragraph (h), paragraph (i), or paragraph (j).

1335 (7)~~(6)~~ OPTIONAL FORMS OF RETIREMENT BENEFITS AND
 1336 DISABILITY RETIREMENT BENEFITS.—

1337 (a) Prior to the receipt of the first monthly retirement
 1338 payment, a member shall elect to receive the retirement benefits
 1339 to which he or she is entitled under subsection (1), subsection
 1340 (2), subsection (3), ~~or~~ subsection (4), or subsection (5) in
 1341 accordance with one of the following options:

- 1342 1. The maximum retirement benefit payable to the member
 1343 during his or her lifetime.
- 1344 2. A decreased retirement benefit payable to the member
 1345 during his or her lifetime and, in the event of his or her death
 1346 within a period of 10 years after retirement, the same monthly
 1347 amount payable for the balance of such 10-year period to his or
 1348 her beneficiary or, in case the beneficiary is deceased, in
 1349 accordance with subsection (9)~~(8)~~ as though no beneficiary had
 1350 been named.
- 1351 3. A decreased retirement benefit payable during the joint
 1352 lifetime of both the member and his or her joint annuitant and

1353 which, after the death of either, shall continue during the
 1354 lifetime of the survivor in the same amount, subject to the
 1355 provisions of subsection (13) ~~(12)~~.

1356 4. A decreased retirement benefit payable during the joint
 1357 lifetime of the member and his or her joint annuitant and which,
 1358 after the death of either, shall continue during the lifetime of
 1359 the survivor in an amount equal to 66 2/3 percent of the amount
 1360 that was payable during the joint lifetime of the member and his
 1361 or her joint annuitant, subject to the provisions of subsection
 1362 (13) ~~(12)~~.

1363
 1364 The spouse of any member who elects to receive the benefit
 1365 provided under subparagraph 1. or subparagraph 2. shall be
 1366 notified of and shall acknowledge any such election. The
 1367 division shall establish by rule a method for selecting the
 1368 appropriate actuarial factor for optional forms of benefits
 1369 selected under subparagraphs 3. and 4., based on the age of the
 1370 member and the joint annuitant.

1371 (b) The benefit payable under any option stated above
 1372 shall be the actuarial equivalent, based on tables adopted by
 1373 the administrator for this purpose, of the amount to which the
 1374 member was otherwise entitled.

1375 (c) A member who elects the option in subparagraph (a)2.
 1376 shall, in accordance with subsection (9) ~~(8)~~, designate one or
 1377 more persons to receive the benefits payable in the event of his
 1378 or her death. Such persons shall be the beneficiaries of the

1379 member. The member may also designate one or more contingent
 1380 beneficiaries to receive any benefits remaining upon the death
 1381 of the primary beneficiary.

1382 (d) A member who elects the option in subparagraph (a)3.
 1383 or subparagraph (a)4. shall, on a form provided for that
 1384 purpose, designate a joint annuitant to receive the benefits
 1385 which continue to be payable upon the death of the member. After
 1386 benefits have commenced under the option in subparagraph (a)3.
 1387 or subparagraph (a)4., the following shall apply:

1388 1. A retired member may change his or her designation of a
 1389 joint annuitant only twice. If such a retired member desires to
 1390 change his or her designation of a joint annuitant, he or she
 1391 shall file with the division a notarized "change of joint
 1392 annuitant" form and shall notify the former joint annuitant in
 1393 writing of such change. Effective the first day of the next
 1394 month following receipt by the division of a completed change of
 1395 joint annuitant form, the division shall adjust the member's
 1396 monthly benefit by the application of actuarial tables and
 1397 calculations developed to ensure that the benefit paid is the
 1398 actuarial equivalent of the present value of the member's
 1399 current benefit. The consent of a retired member's first
 1400 designated joint annuitant to any such change shall not be
 1401 required. However, if either the member or the joint annuitant
 1402 dies before the effective date of the request for change of
 1403 joint annuitant, the requested change shall be void, and
 1404 survivor benefits, if any, shall be paid as if no request had

1405 | been made.

1406 | 2. In the event of the dissolution of marriage of a
 1407 | retired member and a joint annuitant, such member may make an
 1408 | election to nullify the joint annuitant designation of the
 1409 | former spouse, unless there is an existing qualified domestic
 1410 | relations order preventing such action. The member shall file
 1411 | with the division a written, notarized nullification which shall
 1412 | be effective on the first day of the next month following
 1413 | receipt by the division. Benefits shall be paid as if the former
 1414 | spouse predeceased the member. A member who makes such an
 1415 | election may not reverse the nullification but may designate a
 1416 | new joint annuitant in accordance with subparagraph 1.

1417 | (e) The election of an option shall be null and void if
 1418 | the member dies before the effective date of retirement.

1419 | (f) A member who elects to receive benefits under the
 1420 | option in subparagraph (a)3. may designate one or more qualified
 1421 | persons, either a spouse or other dependent, as his or her joint
 1422 | annuitant to receive the benefits after the member's death in
 1423 | whatever proportion he or she so assigns to each person named as
 1424 | joint annuitant. The division shall adopt appropriate actuarial
 1425 | tables and calculations necessary to ensure that the benefit
 1426 | paid is the actuarial equivalent of the benefit to which the
 1427 | member is otherwise entitled under the option in subparagraph
 1428 | (a)1.

1429 | (g) Upon the death of a retired member or beneficiary
 1430 | receiving monthly benefits under this chapter, the monthly

1431 benefits shall be paid through the last day of the month of
 1432 death and shall terminate, or be adjusted, if applicable, as of
 1433 that date in accordance with the optional form of benefit
 1434 selected at the time of retirement.

1435 (h) The option selected or determined for payment of
 1436 benefits as provided in this section shall be final and
 1437 irrevocable at the time a benefit payment is cashed or deposited
 1438 or credited to the Deferred Retirement Option Program as
 1439 provided in subsection (14) ~~(13)~~.

1440 (8) ~~(7)~~ DEATH BENEFITS.—

1441 (a) If the employment of a member is terminated by reason
 1442 of his or her death prior to being vested, except as provided in
 1443 paragraph (f), there shall be payable to his or her designated
 1444 beneficiary the member's accumulated contributions.

1445 (b) If the employment of an active member who may or may
 1446 not have applied for retirement is terminated by reason of his
 1447 or her death subsequent to becoming vested and prior to his or
 1448 her effective date of retirement, if established, it shall be
 1449 assumed that the member retired as of the date of death in
 1450 accordance with subsection (1) for members of the pension plan,
 1451 and in accordance with subsection (2) for members of the hybrid
 1452 plan if eligible for normal retirement benefits, subsection (3)
 1453 ~~(2)~~ if eligible for benefits payable for dual normal retirement,
 1454 or subsection (4) ~~(3)~~ if eligible for early retirement benefits.
 1455 Benefits payable to the designated beneficiary shall be as
 1456 follows:

1457 1. For a beneficiary who qualifies as a joint annuitant,
 1458 the optional form of payment provided in accordance with
 1459 subparagraph (7) (a) 3. ~~(6) (a) 3.~~ shall be paid for the joint
 1460 annuitant's lifetime.

1461 2. For a beneficiary who does not qualify as a joint
 1462 annuitant, no continuing monthly benefit shall be paid and the
 1463 beneficiary shall be entitled only to the return of the member's
 1464 personal contributions. If there is no monetary interest in the
 1465 member's retirement account for which such beneficiary is
 1466 eligible, the beneficiary shall be the next named beneficiary
 1467 or, if no other beneficiary is named, the beneficiary shall be
 1468 the next eligible beneficiary according to subsection (9) ~~(8)~~.

1469 (c) If a retiring member dies on or after the effective
 1470 date of retirement, but prior to a benefit payment being cashed
 1471 or deposited, or credited to the Deferred Retirement Option
 1472 Program, benefits shall be paid as follows:

1473 1. For a designated beneficiary who qualifies as a joint
 1474 annuitant, benefits shall be paid in the optional form of
 1475 payment provided in subparagraph (7) (a) 3. ~~(6) (a) 3.~~ for the joint
 1476 annuitant's lifetime or, if the member chose the optional form
 1477 of payment provided in subparagraph (7) (a) 2. ~~(6) (a) 2.~~, the joint
 1478 annuitant may select the form provided in either subparagraph
 1479 (7) (a) 2. ~~(6) (a) 2.~~ or subparagraph (7) (a) 3. ~~(6) (a) 3.~~

1480 2. For a designated beneficiary who does not qualify as a
 1481 joint annuitant, any benefits payable shall be paid as provided
 1482 in the option selected by the member; or if the member has not

1483 selected an option, benefits shall be paid in the optional form
 1484 of payment provided in subparagraph (7) (a)1. ~~(6) (a)1.~~

1485 (d) Notwithstanding any other provision in this chapter to
 1486 the contrary, with the exception of the Deferred Retirement
 1487 Option Program, as provided in subsection (14) ~~(13)~~:

1488 1.a. The surviving spouse of any pension plan member
 1489 killed in the line of duty may receive a monthly pension equal
 1490 to one-half of the monthly salary being received by the member
 1491 at the time of death for the rest of the surviving spouse's
 1492 lifetime or, if the member was vested, such surviving spouse may
 1493 elect to receive a benefit as provided in paragraph (b).
 1494 Benefits provided by this paragraph shall supersede any other
 1495 distribution that may have been provided by the member's
 1496 designation of beneficiary.

1497 b. The surviving spouse of any hybrid plan member killed
 1498 in the line of duty may receive a monthly pension equal to one-
 1499 half of the monthly salary being received by the member at the
 1500 time of death for the rest of the surviving spouse's lifetime,
 1501 or if the member was vested, such surviving spouse may elect to
 1502 receive a benefit as provided in paragraph (b). If the surviving
 1503 spouse elects to receive a monthly pension equal to one-half of
 1504 the monthly salary being received by the member at the time of
 1505 death, the member's contributions and funds accumulated in the
 1506 investment plan component, and interest and earnings thereon,
 1507 must be transferred from such individual account to the division
 1508 for deposit in the Florida Retirement System Trust Fund.

1509 Benefits provided by this paragraph shall supersede any other
 1510 distribution that may have been provided by the member's
 1511 designation of beneficiary.

1512 2. If the surviving spouse of a member killed in the line
 1513 of duty dies, the monthly payments which would have been payable
 1514 to such surviving spouse had such surviving spouse lived shall
 1515 be paid for the use and benefit of such member's child or
 1516 children under 18 years of age and unmarried until the 18th
 1517 birthday of the member's youngest child.

1518 3. If a member killed in the line of duty leaves no
 1519 surviving spouse but is survived by a child or children under 18
 1520 years of age, the benefits provided by subparagraph 1., normally
 1521 payable to a surviving spouse, shall be paid for the use and
 1522 benefit of such member's child or children under 18 years of age
 1523 and unmarried until the 18th birthday of the member's youngest
 1524 child.

1525 4. The surviving spouse of a member whose benefit
 1526 terminated because of remarriage shall have the benefit
 1527 reinstated beginning July 1, 1993, at an amount that would have
 1528 been payable had the benefit not been terminated.

1529 (e) The surviving spouse or other dependent of any member,
 1530 except a member who participated in the Deferred Retirement
 1531 Option Program, whose employment is terminated by death shall,
 1532 upon application to the administrator, be permitted to pay the
 1533 required contributions for any service performed by the member
 1534 which could have been claimed by the member at the time of his

1535 or her death. Such service shall be added to the creditable
 1536 service of the member and shall be used in the calculation of
 1537 any benefits which may be payable to the surviving spouse or
 1538 other surviving dependent.

1539 (f) Notwithstanding any other provisions in this chapter
 1540 to the contrary and upon application to the administrator, an
 1541 eligible joint annuitant, of a member whose employment is
 1542 terminated by death within 1 year of such member satisfying the
 1543 service requirements for vesting and retirement eligibility,
 1544 shall be permitted to purchase only the additional service
 1545 credit necessary to vest and qualify for retirement benefits,
 1546 not to exceed a total of 1 year of credit, by one or a
 1547 combination of the following methods:

1548 1. Such eligible joint annuitant may use the deceased
 1549 member's accumulated hours of annual, sick, and compensatory
 1550 leave to purchase additional creditable service, on an hour by
 1551 hour basis, provided that such deceased member's accumulated
 1552 leave is sufficient to cover the additional months required. For
 1553 each month of service credit needed prior to the final month,
 1554 credit for the total number of work hours in that month must be
 1555 purchased, using an equal number of the deceased member's
 1556 accumulated leave hours. Service credit required for the final
 1557 month in which the deceased member would have become vested
 1558 shall be awarded upon the purchase of 1 hour of credit. Such
 1559 eligible joint annuitant shall pay the contribution rate in
 1560 effect for the period of time being claimed for the deceased

1561 member's class of membership, multiplied by such member's
 1562 monthly salary at the time of death, plus 6.5 percent interest
 1563 compounded annually. The accumulated leave payment used in the
 1564 average final compensation shall not include that portion of the
 1565 payment that represents any leave hours used in the purchase of
 1566 such creditable service.

1567 2. Such eligible joint annuitant may purchase additional
 1568 months of creditable service for any periods of out-of-state
 1569 service as provided in s. 121.1115, and in-state service as
 1570 provided in s. 121.1122, that the deceased member would have
 1571 been eligible to purchase prior to his or her death.

1572
 1573 Service purchased under this paragraph shall be added to the
 1574 creditable service of the member and used to vest for retirement
 1575 eligibility, and shall be used in the calculation of any
 1576 benefits which may be payable to the eligible joint annuitant.
 1577 Any benefits paid in accordance with this paragraph shall only
 1578 be made prospectively.

1579 (g) Notwithstanding any other provisions in this chapter
 1580 to the contrary, if any member who is vested dies and the
 1581 surviving spouse receives a refund of the accumulated
 1582 contributions made to the retirement trust fund, such spouse may
 1583 pay to the Division of Retirement an amount equal to the sum of
 1584 the amount of the deceased member's accumulated contributions
 1585 previously refunded plus interest at 4 percent compounded
 1586 annually each June 30 from the date of refund until July 1,

1587 1975, and 6.5 percent interest compounded annually thereafter,
 1588 until full payment is made, and receive the monthly retirement
 1589 benefit as provided in paragraph (b).

1590 (h) The designated beneficiary who is the surviving spouse
 1591 or other dependent of a member whose employment is terminated by
 1592 death subsequent to becoming vested, but prior to actual
 1593 retirement, may elect to receive a deferred monthly benefit as
 1594 if the member had lived and had elected a deferred monthly
 1595 benefit, as provided in paragraph (6) (b) ~~(5) (b)~~, calculated on
 1596 the basis of the average final compensation and creditable
 1597 service of the member at his or her death and the age the member
 1598 would have attained on the commencement date of the deferred
 1599 benefit elected by the beneficiary, paid in accordance with
 1600 option 3 of paragraph (7) (a) ~~(6) (a)~~.

1601 (i) In addition to the death benefits available under
 1602 paragraphs (a) through (h), members of the hybrid plan also
 1603 receive death benefits payable in accordance with s. 121.591(3),
 1604 plus interest and investment earnings, from the member's
 1605 investment account, except as provided in paragraph (d).

1606 (9) ~~(8)~~ DESIGNATION OF BENEFICIARIES.-

1607 (a) Each member may, on a form provided for that purpose,
 1608 signed and filed with the division, designate a choice of one or
 1609 more persons, named sequentially or jointly, as his or her
 1610 beneficiary who shall receive the benefits, if any, which may be
 1611 payable in the event of the member's death pursuant to the
 1612 provisions of this chapter. If no beneficiary is named in the

1613 manner provided above, or if no beneficiary designated by the
 1614 member survives the member, the beneficiary shall be the spouse
 1615 of the deceased, if living. If the member's spouse is not alive
 1616 at his or her death, the beneficiary shall be the living
 1617 children of the member. If no children survive, the beneficiary
 1618 shall be the member's father or mother, if living; otherwise,
 1619 the beneficiary shall be the member's estate. The beneficiary
 1620 most recently designated by a member on a form or letter filed
 1621 with the division shall be the beneficiary entitled to any
 1622 benefits payable at the time of the member's death, except that
 1623 benefits shall be paid as provided in paragraph (8) (d) ~~(7) (d)~~
 1624 when death occurs in the line of duty. Notwithstanding any other
 1625 provisions in this subsection to the contrary, for a member who
 1626 dies prior to his or her effective date of retirement on or
 1627 after January 1, 1999, the spouse at the time of death shall be
 1628 the member's beneficiary unless such member designates a
 1629 different beneficiary as provided herein subsequent to the
 1630 member's most recent marriage.

1631 (b) A designated beneficiary of a retirement account for
 1632 whom there is a monetary interest may disclaim his or her
 1633 monetary interest as provided in chapter 739 and in accordance
 1634 with division rules governing such disclaimers. Such disclaimer
 1635 must be filed within 24 months after the event that created the
 1636 interest, that is, the death of the member or annuitant.

1637 (c) Notwithstanding the member's designation of benefits
 1638 to be paid through a trust to a beneficiary that is a natural

1639 person as provided in s. 121.021(46), and notwithstanding the
 1640 provisions of the trust, benefits shall be paid directly to the
 1641 beneficiary if the person is no longer a minor or an
 1642 incapacitated person as defined in s. 744.102.

1643 (10)~~(9)~~ EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

1644 (a) Any person who is retired under this chapter, except
 1645 under the disability retirement provisions of subsection (5)~~(4)~~,
 1646 may be employed by an employer that does not participate in a
 1647 state-administered retirement system and receive compensation
 1648 from that employment without limiting or restricting in any way
 1649 the retirement benefits payable to that person.

1650 (b) Any person whose retirement is effective before July
 1651 1, 2010, or whose participation in the Deferred Retirement
 1652 Option Program terminates before July 1, 2010, except under the
 1653 disability retirement provisions of subsection (5) ~~(4)~~ or as
 1654 provided in s. 121.053, may be reemployed by an employer that
 1655 participates in a state-administered retirement system and
 1656 receive retirement benefits and compensation from that employer,
 1657 except that the person may not be reemployed by an employer
 1658 participating in the Florida Retirement System before meeting
 1659 the definition of termination in s. 121.021 and may not receive
 1660 both a salary from the employer and retirement benefits for 12
 1661 calendar months immediately subsequent to the date of
 1662 retirement. However, a DROP participant shall continue
 1663 employment and receive a salary during the period of
 1664 participation in the Deferred Retirement Option Program, as

1665 provided in subsection (14) ~~(13)~~.

1666 1. A retiree who violates such reemployment limitation
 1667 before completion of the 12-month limitation period must give
 1668 timely notice of this fact in writing to the employer and to the
 1669 Division of Retirement or the state board and shall have his or
 1670 her retirement benefits suspended for the months employed or the
 1671 balance of the 12-month limitation period as required in sub-
 1672 subparagraphs b. and c. A retiree employed in violation of this
 1673 paragraph and an employer who employs or appoints such person
 1674 are jointly and severally liable for reimbursement to the
 1675 retirement trust fund, including the Florida Retirement System
 1676 Trust Fund and the Public Employee Optional Retirement Program
 1677 Trust Fund, from which the benefits were paid. The employer must
 1678 have a written statement from the retiree that he or she is not
 1679 retired from a state-administered retirement system. Retirement
 1680 benefits shall remain suspended until repayment has been made.
 1681 Benefits suspended beyond the reemployment limitation shall
 1682 apply toward repayment of benefits received in violation of the
 1683 reemployment limitation.

1684 a. A district school board may reemploy a retiree as a
 1685 substitute or hourly teacher, education paraprofessional,
 1686 transportation assistant, bus driver, or food service worker on
 1687 a noncontractual basis after he or she has been retired for 1
 1688 calendar month. A district school board may reemploy a retiree
 1689 as instructional personnel, as defined in s. 1012.01(2)(a), on
 1690 an annual contractual basis after he or she has been retired for

1691 1 calendar month. Any member who is reemployed within 1 calendar
 1692 month after retirement shall void his or her application for
 1693 retirement benefits. District school boards reemploying such
 1694 teachers, education paraprofessionals, transportation
 1695 assistants, bus drivers, or food service workers are subject to
 1696 the retirement contribution required by subparagraph 2.

1697 b. A Florida College System institution board of trustees
 1698 may reemploy a retiree as an adjunct instructor or as a
 1699 participant in a phased retirement program within the Florida
 1700 College System, after he or she has been retired for 1 calendar
 1701 month. A member who is reemployed within 1 calendar month after
 1702 retirement shall void his or her application for retirement
 1703 benefits. Boards of trustees reemploying such instructors are
 1704 subject to the retirement contribution required in subparagraph
 1705 2. A retiree may be reemployed as an adjunct instructor for no
 1706 more than 780 hours during the first 12 months of retirement. A
 1707 retiree reemployed for more than 780 hours during the first 12
 1708 months of retirement must give timely notice in writing to the
 1709 employer and to the Division of Retirement or the state board of
 1710 the date he or she will exceed the limitation. The division
 1711 shall suspend his or her retirement benefits for the remainder
 1712 of the 12 months of retirement. Any retiree employed in
 1713 violation of this sub-subparagraph and any employer who employs
 1714 or appoints such person without notifying the division to
 1715 suspend retirement benefits are jointly and severally liable for
 1716 any benefits paid during the reemployment limitation period. The

1717 employer must have a written statement from the retiree that he
 1718 or she is not retired from a state-administered retirement
 1719 system. Any retirement benefits received by the retiree while
 1720 reemployed in excess of 780 hours during the first 12 months of
 1721 retirement must be repaid to the Florida Retirement System Trust
 1722 Fund, and retirement benefits shall remain suspended until
 1723 repayment is made. Benefits suspended beyond the end of the
 1724 retiree's first 12 months of retirement shall apply toward
 1725 repayment of benefits received in violation of the 780-hour
 1726 reemployment limitation.

1727 c. The State University System may reemploy a retiree as
 1728 an adjunct faculty member or as a participant in a phased
 1729 retirement program within the State University System after the
 1730 retiree has been retired for 1 calendar month. A member who is
 1731 reemployed within 1 calendar month after retirement shall void
 1732 his or her application for retirement benefits. The State
 1733 University System is subject to the retired contribution
 1734 required in subparagraph 2., as appropriate. A retiree may be
 1735 reemployed as an adjunct faculty member or a participant in a
 1736 phased retirement program for no more than 780 hours during the
 1737 first 12 months of his or her retirement. A retiree reemployed
 1738 for more than 780 hours during the first 12 months of retirement
 1739 must give timely notice in writing to the employer and to the
 1740 Division of Retirement or the state board of the date he or she
 1741 will exceed the limitation. The division shall suspend his or
 1742 her retirement benefits for the remainder of the 12 months. Any

1743 retiree employed in violation of this sub-subparagraph and any
 1744 employer who employs or appoints such person without notifying
 1745 the division to suspend retirement benefits are jointly and
 1746 severally liable for any benefits paid during the reemployment
 1747 limitation period. The employer must have a written statement
 1748 from the retiree that he or she is not retired from a state-
 1749 administered retirement system. Any retirement benefits received
 1750 by the retiree while reemployed in excess of 780 hours during
 1751 the first 12 months of retirement must be repaid to the Florida
 1752 Retirement System Trust Fund, and retirement benefits shall
 1753 remain suspended until repayment is made. Benefits suspended
 1754 beyond the end of the retiree's first 12 months of retirement
 1755 shall apply toward repayment of benefits received in violation
 1756 of the 780-hour reemployment limitation.

1757 d. The Board of Trustees of the Florida School for the
 1758 Deaf and the Blind may reemploy a retiree as a substitute
 1759 teacher, substitute residential instructor, or substitute nurse
 1760 on a noncontractual basis after he or she has been retired for 1
 1761 calendar month. Any member who is reemployed within 1 calendar
 1762 month after retirement shall void his or her application for
 1763 retirement benefits. The Board of Trustees of the Florida School
 1764 for the Deaf and the Blind reemploying such teachers,
 1765 residential instructors, or nurses is subject to the retirement
 1766 contribution required by subparagraph 2.

1767 e. A developmental research school may reemploy a retiree
 1768 as a substitute or hourly teacher or an education

1769 | paraprofessional as defined in s. 1012.01(2) on a noncontractual
 1770 | basis after he or she has been retired for 1 calendar month. A
 1771 | developmental research school may reemploy a retiree as
 1772 | instructional personnel, as defined in s. 1012.01(2)(a), on an
 1773 | annual contractual basis after he or she has been retired for 1
 1774 | calendar month after retirement. Any member who is reemployed
 1775 | within 1 calendar month voids his or her application for
 1776 | retirement benefits. A developmental research school that
 1777 | reemploys retired teachers and education paraprofessionals is
 1778 | subject to the retirement contribution required by subparagraph
 1779 | 2.

1780 | f. A charter school may reemploy a retiree as a substitute
 1781 | or hourly teacher on a noncontractual basis after he or she has
 1782 | been retired for 1 calendar month. A charter school may reemploy
 1783 | a retired member as instructional personnel, as defined in s.
 1784 | 1012.01(2)(a), on an annual contractual basis after he or she
 1785 | has been retired for 1 calendar month after retirement. Any
 1786 | member who is reemployed within 1 calendar month voids his or
 1787 | her application for retirement benefits. A charter school that
 1788 | reemploys such teachers is subject to the retirement
 1789 | contribution required by subparagraph 2.

1790 | 2. The employment of a retiree or DROP participant of a
 1791 | state-administered retirement system does not affect the average
 1792 | final compensation or years of creditable service of the retiree
 1793 | or DROP participant. Before July 1, 1991, upon employment of any
 1794 | person, other than an elected officer as provided in s. 121.053,

1795 who is retired under a state-administered retirement program,
 1796 the employer shall pay retirement contributions in an amount
 1797 equal to the unfunded actuarial liability portion of the
 1798 employer contribution which would be required for regular
 1799 members of the Florida Retirement System. Effective July 1,
 1800 1991, contributions shall be made as provided in s. 121.122 for
 1801 retirees who have renewed membership or, as provided in
 1802 subsection (14) ~~(13)~~, for DROP participants.

1803 3. Any person who is holding an elective public office
 1804 which is covered by the Florida Retirement System and who is
 1805 concurrently employed in nonelected covered employment may elect
 1806 to retire while continuing employment in the elective public
 1807 office if he or she terminates his or her nonelected covered
 1808 employment. Such person shall receive his or her retirement
 1809 benefits in addition to the compensation of the elective office
 1810 without regard to the time limitations otherwise provided in
 1811 this subsection. A person who seeks to exercise the provisions
 1812 of this subparagraph as they existed before May 3, 1984, may not
 1813 be deemed to be retired under those provisions, unless such
 1814 person is eligible to retire under this subparagraph, as amended
 1815 by chapter 84-11, Laws of Florida.

1816 (c) Any person whose retirement is effective on or after
 1817 July 1, 2010, or whose participation in the Deferred Retirement
 1818 Option Program terminates on or after July 1, 2010, who is
 1819 retired under this chapter, except under the disability
 1820 retirement provisions of subsection (5) ~~(4)~~ or as provided in s.

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1821 121.053, may be reemployed by an employer that participates in a
 1822 state-administered retirement system and receive retirement
 1823 benefits and compensation from that employer. However, a person
 1824 may not be reemployed by an employer participating in the
 1825 Florida Retirement System before meeting the definition of
 1826 termination in s. 121.021 and may not receive both a salary from
 1827 the employer and retirement benefits for 6 calendar months after
 1828 meeting the definition of termination. However, a DROP
 1829 participant shall continue employment and receive a salary
 1830 during the period of participation in the Deferred Retirement
 1831 Option Program, as provided in subsection (14) ~~(13)~~.

1832 1. The reemployed retiree may not renew membership in the
 1833 Florida Retirement System.

1834 2. The employer shall pay retirement contributions in an
 1835 amount equal to the unfunded actuarial liability portion of the
 1836 employer contribution that would be required for active members
 1837 of the Florida Retirement System in addition to the
 1838 contributions required by s. 121.76.

1839 3. A retiree initially reemployed in violation of this
 1840 paragraph and an employer that employs or appoints such person
 1841 are jointly and severally liable for reimbursement of any
 1842 retirement benefits paid to the retirement trust fund from which
 1843 the benefits were paid, including the Florida Retirement System
 1844 Trust Fund and the Public Employee Optional Retirement Program
 1845 Trust Fund, as appropriate. The employer must have a written
 1846 statement from the employee that he or she is not retired from a

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1847 state-administered retirement system. Retirement benefits shall
 1848 remain suspended until repayment is made. Benefits suspended
 1849 beyond the end of the retiree's 6-month reemployment limitation
 1850 period shall apply toward the repayment of benefits received in
 1851 violation of this paragraph.

1852 (d) This subsection applies to retirees, as defined in s.
 1853 121.4501(2), of the Florida Retirement System Investment Plan or
 1854 the Florida Retirement System Hybrid Plan, subject to the
 1855 following conditions:

1856 1. A retiree may not be reemployed with an employer
 1857 participating in the Florida Retirement System until such person
 1858 has been retired for 6 calendar months.

1859 2. A retiree employed in violation of this subsection and
 1860 an employer that employs or appoints such person are jointly and
 1861 severally liable for reimbursement of any benefits paid to the
 1862 retirement trust fund from which the benefits were paid. The
 1863 employer must have a written statement from the retiree that he
 1864 or she is not retired from a state-administered retirement
 1865 system.

1866 (e) The limitations of this subsection apply to
 1867 reemployment in any capacity irrespective of the category of
 1868 funds from which the person is compensated.

1869 (11)~~(10)~~ FUTURE BENEFITS BASED ON ACTUARIAL DATA.—It is
 1870 the intent of the Legislature that future benefit increases
 1871 enacted into law in this chapter shall be financed concurrently
 1872 by increased contributions or other adequate funding, and such

1873 funding shall be based on sound actuarial data as developed by
 1874 the actuary or state retirement actuary, as provided in ss.
 1875 121.021(6) and 121.192.

1876 (12)~~(11)~~ A member who becomes eligible to retire and has
 1877 accumulated the maximum benefit of 100 percent of average final
 1878 compensation may continue in active service, and, if upon the
 1879 member's retirement the member elects to receive a retirement
 1880 compensation pursuant to subsection (3) ~~(2)~~, subsection (7) ~~(6)~~,
 1881 or subsection (8) ~~(7)~~, the actuarial equivalent percentage
 1882 factor applicable to the age of such member at the time the
 1883 member reached the maximum benefit and to the age, at that time,
 1884 of the member's spouse shall determine the amount of benefits to
 1885 be paid.

1886 (13)~~(12)~~ SPECIAL PROVISIONS FOR PAYMENT OF CERTAIN
 1887 SURVIVOR BENEFITS.—Notwithstanding any provision of this chapter
 1888 to the contrary, for members with an effective date of
 1889 retirement, or date of death if prior to retirement, on or after
 1890 January 1, 1996, the named joint annuitant, as defined in s.
 1891 121.021(28)(b), who is eligible to receive benefits under
 1892 subparagraph (7)(a)3. ~~(6)(a)3.~~ or subparagraph (7)(a)4.
 1893 ~~(6)(a)4.~~, shall receive the maximum monthly retirement benefit
 1894 that would have been payable to the member under subparagraph
 1895 (7)(a)1. ~~(6)(a)1.~~; however, payment of such benefit shall cease
 1896 the month the joint annuitant attains age 25 unless such joint
 1897 annuitant is disabled and incapable of self-support, in which
 1898 case, benefits shall cease when the joint annuitant is no longer

1899 disabled. The administrator may require proof of disability or
 1900 continued disability in the same manner as is provided for a
 1901 member seeking or receiving a disability retirement benefit
 1902 under subsection (5) ~~(4)~~.

1903 (14) ~~(13)~~ DEFERRED RETIREMENT OPTION PROGRAM.—In general,
 1904 and subject to this section, the Deferred Retirement Option
 1905 Program, hereinafter referred to as DROP, is a program under
 1906 which an eligible member of the Florida Retirement System may
 1907 elect to participate, deferring receipt of retirement benefits
 1908 while continuing employment with his or her Florida Retirement
 1909 System employer. The deferred monthly benefits shall accrue in
 1910 the Florida Retirement System on behalf of the member, plus
 1911 interest compounded monthly, for the specified period of the
 1912 DROP participation, as provided in paragraph (c). Upon
 1913 termination of employment, the member shall receive the total
 1914 DROP benefits and begin to receive the previously determined
 1915 normal retirement benefits. Participation in the DROP does not
 1916 guarantee employment for the specified period of DROP.
 1917 Participation in DROP by an eligible member beyond the initial
 1918 60-month period as authorized in this subsection shall be on an
 1919 annual contractual basis for all participants.

1920 (a) Eligibility of member to participate in DROP.—All
 1921 active Florida Retirement System Pension Plan and Florida
 1922 Retirement System Hybrid Plan members in a regularly established
 1923 position, and all active members of the Teachers' Retirement
 1924 System established in chapter 238 or the State and County

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1925 Officers' and Employees' Retirement System established in
 1926 chapter 122, which are consolidated within the Florida
 1927 Retirement System under s. 121.011, are eligible to elect
 1928 participation in DROP if:

1929 1. The member is not a renewed member under s. 121.122, ~~or~~
 1930 a member of the Florida Retirement System Investment Plan under
 1931 part II of this chapter, a member of the State Community College
 1932 System Optional Retirement Program under s. 121.051, the Senior
 1933 Management Service Optional Annuity Program under s. 121.055, or
 1934 the optional retirement program for the State University System
 1935 under s. 121.35.

1936 2. Except as provided in subparagraph 6., for members
 1937 initially enrolled before July 1, 2011, election to participate
 1938 is made within 12 months immediately following the date on which
 1939 the member first reaches normal retirement date, or, for a
 1940 member who reaches normal retirement date based on service
 1941 before he or she reaches age 62, or age 55 for Special Risk
 1942 Class members, election to participate may be deferred to the 12
 1943 months immediately following the date the member attains age 57,
 1944 or age 52 for Special Risk Class members. Except as provided in
 1945 subparagraph 6., for members initially enrolled on or after July
 1946 1, 2011, election to participate is made within 12 months
 1947 immediately following the date on which the member first reaches
 1948 normal retirement date, or, for a member who reaches normal
 1949 retirement date based on service before he or she reaches age
 1950 65, or age 60 for Special Risk Class members, election to

1951 participate may be deferred to the 12 months immediately
 1952 following the date the member attains age 60, or age 55 for
 1953 Special Risk Class members. A member who delays DROP
 1954 participation during the 12-month period immediately following
 1955 his or her maximum DROP deferral date, except as provided in
 1956 subparagraph 6., loses a month of DROP participation for each
 1957 month delayed. A member who fails to make an election within the
 1958 12-month limitation period forfeits all rights to participate in
 1959 DROP. The member shall advise his or her employer and the
 1960 division in writing of the date DROP begins. The beginning date
 1961 may be subsequent to the 12-month election period but must be
 1962 within the original 60-month participation period provided in
 1963 subparagraph (b)1. When establishing eligibility to participate
 1964 in DROP, the member may elect to include or exclude any optional
 1965 service credit purchased by the member from the total service
 1966 used to establish the normal retirement date. A member who has
 1967 dual normal retirement dates is eligible to elect to participate
 1968 in DROP after attaining normal retirement date in either class.

1969 3. The employer of a member electing to participate in
 1970 DROP, or employers if dually employed, shall acknowledge in
 1971 writing to the division the date the member's participation in
 1972 DROP begins and the date the member's employment and DROP
 1973 participation terminates.

1974 4. Simultaneous employment of a member by additional
 1975 Florida Retirement System employers subsequent to the
 1976 commencement of a member's participation in DROP is permissible

1977 | if such employers acknowledge in writing a DROP termination date
 1978 | no later than the member's existing termination date or the
 1979 | maximum participation period provided in subparagraph (b)1.

1980 | 5. A member may change employers while participating in
 1981 | DROP, subject to the following:

1982 | a. A change of employment takes place without a break in
 1983 | service so that the member receives salary for each month of
 1984 | continuous DROP participation. If a member receives no salary
 1985 | during a month, DROP participation ceases unless the employer
 1986 | verifies a continuation of the employment relationship for such
 1987 | member pursuant to s. 121.021(39)(b).

1988 | b. The member and new employer notify the division of the
 1989 | identity of the new employer on forms required by the division.

1990 | c. The new employer acknowledges, in writing, the member's
 1991 | DROP termination date, which may be extended but not beyond the
 1992 | maximum participation period provided in subparagraph (b)1.,
 1993 | acknowledges liability for any additional retirement
 1994 | contributions and interest required if the member fails to
 1995 | timely terminate employment, and is subject to the adjustment
 1996 | required in sub-subparagraph (c)5.d.

1997 | 6. Effective July 1, 2001, for instructional personnel as
 1998 | defined in s. 1012.01(2), election to participate in DROP may be
 1999 | made at any time following the date on which the member first
 2000 | reaches normal retirement date. The member shall advise his or
 2001 | her employer and the division in writing of the date on which
 2002 | DROP begins. When establishing eligibility of the member to

2003 participate in DROP for the 60-month participation period
 2004 provided in subparagraph (b)1., the member may elect to include
 2005 or exclude any optional service credit purchased by the member
 2006 from the total service used to establish the normal retirement
 2007 date. A member who has dual normal retirement dates is eligible
 2008 to elect to participate in either class.

2009 (b) Participation in DROP.—

2010 1. An eligible member may elect to participate in DROP for
 2011 a period not to exceed a maximum of 60 calendar months. However,
 2012 members who are instructional personnel employed by the Florida
 2013 School for the Deaf and the Blind and authorized by the Board of
 2014 Trustees of the Florida School for the Deaf and the Blind, who
 2015 are instructional personnel as defined in s. 1012.01(2)(a)-(d)
 2016 in grades K-12 and authorized by the district school
 2017 superintendent, or who are instructional personnel as defined in
 2018 s. 1012.01(2)(a) employed by a developmental research school and
 2019 authorized by the school's director, or if the school has no
 2020 director, by the school's principal, may participate in DROP for
 2021 up to 36 calendar months beyond the 60-month period.

2022 2. Upon deciding to participate in DROP, the member shall
 2023 submit, on forms required by the division:

2024 a. A written election to participate in DROP;

2025 b. Selection of DROP participation and termination dates
 2026 that satisfy the limitations stated in paragraph (a) and
 2027 subparagraph 1. The termination date must be in a binding letter
 2028 of resignation to the employer establishing a deferred

2029 termination date. The member may change the termination date
 2030 within the limitations of subparagraph 1., but only with the
 2031 written approval of the employer;

2032 c. A properly completed DROP application for service
 2033 retirement as provided in this section; and

2034 d. Any other information required by the division.

2035 3. The DROP participant is a retiree under the Florida
 2036 Retirement System for all purposes, except for paragraph (6) (f)
 2037 ~~(5) (f)~~ and subsection (10) ~~(9)~~ and ss. 112.3173, 112.363,
 2038 121.053, and 121.122. DROP participation is final and may not be
 2039 canceled by the participant after the first payment is credited
 2040 during the DROP participation period. However, participation in
 2041 DROP does not alter the participant's employment status, and the
 2042 member is not deemed retired from employment until his or her
 2043 deferred resignation is effective and termination occurs as
 2044 defined in s. 121.021.

2045 4. Elected officers are eligible to participate in DROP
 2046 subject to the following:

2047 a. An elected officer who reaches normal retirement date
 2048 during a term of office may defer the election to participate
 2049 until the next succeeding term in that office. An elected
 2050 officer who exercises this option may participate in DROP for up
 2051 to 60 calendar months or no longer than the succeeding term of
 2052 office, whichever is less.

2053 b. An elected or a nonelected participant may run for a
 2054 term of office while participating in DROP and, if elected,

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2055 extend the DROP termination date accordingly; however, if such
 2056 additional term of office exceeds the 60-month limitation
 2057 established in subparagraph 1., and the officer does not resign
 2058 from office within such 60-month limitation, the retirement and
 2059 the participant's DROP is null and void as provided in sub-
 2060 subparagraph (c)5.d.

2061 c. An elected officer who is dually employed and elects to
 2062 participate in DROP must terminate all employment relationships
 2063 as provided in s. 121.021(39) for the nonelected position within
 2064 the original 60-month period or maximum participation period as
 2065 provided in subparagraph 1. For DROP participation ending:

2066 (I) Before July 1, 2010, the officer may continue
 2067 employment as an elected officer as provided in s. 121.053. The
 2068 elected officer shall be enrolled as a renewed member in the
 2069 Elected Officers' Class or the Regular Class, as provided in ss.
 2070 121.053 and 121.122, on the first day of the month after
 2071 termination of employment in the nonelected position and
 2072 termination of DROP. Distribution of the DROP benefits shall be
 2073 made as provided in paragraph (c).

2074 (II) On or after July 1, 2010, the officer may continue
 2075 employment as an elected officer but must defer termination as
 2076 provided in s. 121.053.

2077 (c) Benefits payable under DROP.—

2078 1. Effective on the date of DROP participation, the
 2079 member's initial normal monthly benefit, including creditable
 2080 service, optional form of payment, and average final

2081 compensation, and the effective date of retirement are fixed.
 2082 The beneficiary established under the Florida Retirement System
 2083 is the beneficiary eligible to receive any DROP benefits payable
 2084 if the DROP participant dies before completing the period of
 2085 DROP participation. If a joint annuitant predeceases the member,
 2086 the member may name a beneficiary to receive accumulated DROP
 2087 benefits payable. The retirement benefit, the annual cost of
 2088 living adjustments provided in s. 121.101, and interest accrue
 2089 monthly in the Florida Retirement System Trust Fund. For members
 2090 whose DROP participation begins:

2091 a. Before July 1, 2011, the interest accrues at an
 2092 effective annual rate of 6.5 percent compounded monthly, on the
 2093 prior month's accumulated ending balance, up to the month of
 2094 termination or death, except as provided in s. 121.053(7).

2095 b. On or after July 1, 2011, the interest accrues at an
 2096 effective annual rate of 1.3 percent, compounded monthly, on the
 2097 prior month's accumulated ending balance, up to the month of
 2098 termination or death, except as provided in s. 121.053(7).

2099 2. Each employee who elects to participate in DROP may
 2100 elect to receive a lump-sum payment for accrued annual leave
 2101 earned in accordance with agency policy upon beginning
 2102 participation in DROP. The accumulated leave payment certified
 2103 to the division upon commencement of DROP shall be included in
 2104 the calculation of the member's average final compensation. The
 2105 employee electing the lump-sum payment is not eligible to
 2106 receive a second lump-sum payment upon termination, except to

2107 | the extent the employee has earned additional annual leave
 2108 | which, combined with the original payment, does not exceed the
 2109 | maximum lump-sum payment allowed by the employing agency's
 2110 | policy or rules. An early lump-sum payment shall be based on the
 2111 | hourly wage of the employee at the time he or she begins
 2112 | participation in DROP. If the member elects to wait and receive
 2113 | a lump-sum payment upon termination of DROP and termination of
 2114 | employment with the employer, any accumulated leave payment made
 2115 | at that time may not be included in the member's retirement
 2116 | benefit, which was determined and fixed by law when the employee
 2117 | elected to participate in DROP.

2118 | 3. The effective date of DROP participation and the
 2119 | effective date of retirement of a DROP participant shall be the
 2120 | first day of the month selected by the member to begin
 2121 | participation in DROP, provided such date is properly
 2122 | established, with the written confirmation of the employer, and
 2123 | the approval of the division, on forms required by the division.

2124 | 4. Normal retirement benefits and any interest continue to
 2125 | accrue in DROP until the established termination date of DROP or
 2126 | until the member terminates employment or dies before such date,
 2127 | except as provided in s. 121.053(7). Although individual DROP
 2128 | accounts may not be established, a separate accounting of each
 2129 | member's accrued benefits under DROP shall be calculated and
 2130 | provided to the member.

2131 | 5. At the conclusion of the member's participation in
 2132 | DROP, the division shall distribute the member's total

2133 accumulated DROP benefits, subject to the following:

2134 a. The division shall receive verification by the member's
 2135 employer or employers that the member has terminated all
 2136 employment relationships as provided in s. 121.021(39).

2137 b. The terminated DROP participant or, if deceased, the
 2138 member's named beneficiary, shall elect on forms provided by the
 2139 division to receive payment of the DROP benefits in accordance
 2140 with one of the options listed below. If a member or beneficiary
 2141 fails to elect a method of payment within 60 days after
 2142 termination of DROP, the division shall pay a lump sum as
 2143 provided in sub-sub-subparagraph (I).

2144 (I) Lump sum.—All accrued DROP benefits, plus interest,
 2145 less withholding taxes remitted to the Internal Revenue Service,
 2146 shall be paid to the DROP participant or surviving beneficiary.

2147 (II) Direct rollover.—All accrued DROP benefits, plus
 2148 interest, shall be paid from DROP directly to the custodian of
 2149 an eligible retirement plan as defined in s. 402(c)(8)(B) of the
 2150 Internal Revenue Code. However, in the case of an eligible
 2151 rollover distribution to the surviving spouse of a deceased
 2152 member, an eligible retirement plan is an individual retirement
 2153 account or an individual retirement annuity as described in s.
 2154 402(c)(9) of the Internal Revenue Code.

2155 (III) Partial lump sum.—A portion of the accrued DROP
 2156 benefits shall be paid to DROP participant or surviving spouse,
 2157 less withholding taxes remitted to the Internal Revenue Service,
 2158 and the remaining DROP benefits must be transferred directly to

2159 | the custodian of an eligible retirement plan as defined in s.
 2160 | 402(c)(8)(B) of the Internal Revenue Code. However, in the case
 2161 | of an eligible rollover distribution to the surviving spouse of
 2162 | a deceased member, an eligible retirement plan is an individual
 2163 | retirement account or an individual retirement annuity as
 2164 | described in s. 402(c)(9) of the Internal Revenue Code. The
 2165 | proportions must be specified by the DROP participant or
 2166 | surviving beneficiary.

2167 | c. The form of payment selected by the DROP participant or
 2168 | surviving beneficiary must comply with the minimum distribution
 2169 | requirements of the Internal Revenue Code.

2170 | d. A DROP participant who fails to terminate all
 2171 | employment relationships as provided in s. 121.021(39) shall be
 2172 | deemed as not retired, and the DROP election is null and void.
 2173 | Florida Retirement System membership shall be reestablished
 2174 | retroactively to the date of the commencement of DROP, and each
 2175 | employer with whom the member continues employment must pay to
 2176 | the Florida Retirement System Trust Fund the difference between
 2177 | the DROP contributions paid in paragraph (i) and the
 2178 | contributions required for the applicable Florida Retirement
 2179 | System class of membership during the period the member
 2180 | participated in DROP, plus 6.5 percent interest compounded
 2181 | annually.

2182 | 6. The retirement benefits of any DROP participant who
 2183 | terminates all employment relationships as provided in s.
 2184 | 121.021(39) but is reemployed in violation of the reemployment

2185 provisions of subsection (10) ~~(9)~~ are suspended during those
 2186 months in which the retiree is in violation. Any retiree in
 2187 violation of this subparagraph and any employer that employs or
 2188 appoints such person without notifying the division to suspend
 2189 retirement benefits are jointly and severally liable for any
 2190 benefits paid during the reemployment limitation period. The
 2191 employer must have a written statement from the retiree that he
 2192 or she is not retired from a state-administered retirement
 2193 system. Any retirement benefits received by a retiree while
 2194 employed in violation of the reemployment limitations must be
 2195 repaid to the Florida Retirement System Trust Fund, and his or
 2196 her retirement benefits shall remain suspended until payment is
 2197 made. Benefits suspended beyond the end of the reemployment
 2198 limitation period apply toward repayment of benefits received in
 2199 violation of the reemployment limitation.

2200 7. The accrued benefits of any DROP participant, and any
 2201 contributions accumulated under the program, are not subject to
 2202 assignment, execution, attachment, or any legal process except
 2203 for qualified domestic relations court orders, income deduction
 2204 orders as provided in s. 61.1301, and federal income tax levies.

2205 8. DROP participants are not eligible for disability
 2206 retirement benefits as provided in subsection (5) ~~(4)~~.

2207 (d) Death benefits under DROP.—

2208 1. Upon the death of a DROP participant, the named
 2209 beneficiary is entitled to apply for and receive the accrued
 2210 benefits in DROP as provided in sub-subparagraph (c)5.b.

2211 2. The normal retirement benefit accrued to DROP during
 2212 the month of a participant's death is the final monthly benefit
 2213 credited for such DROP participant.

2214 3. Eligibility to participate in DROP terminates upon
 2215 death of the participant. If the participant dies on or after
 2216 the effective date of enrollment in DROP, but before the first
 2217 monthly benefit is credited to DROP, Florida Retirement System
 2218 benefits are paid in accordance with subparagraph (8) (c) 1.
 2219 ~~(7) (e) 1.~~ or subparagraph 2.

2220 4. A DROP participant's survivors are not eligible to
 2221 receive Florida Retirement System death benefits as provided in
 2222 paragraph (8) (d) ~~(7) (d)~~.

2223 (e) Cost-of-living adjustment.—On each July 1, the
 2224 participant's normal retirement benefit shall be increased as
 2225 provided in s. 121.101.

2226 (f) Retiree health insurance subsidy.—DROP participants
 2227 are not eligible to apply for the retiree health insurance
 2228 subsidy payments as provided in s. 112.363 until such
 2229 participants have terminated employment and participation in
 2230 DROP.

2231 (g) Renewed membership.—DROP participants are not eligible
 2232 for renewed membership in the Florida Retirement System under
 2233 ss. 121.053 and 121.122 until all employment relationships are
 2234 terminated as provided in s. 121.021(39).

2235 (h) Employment limitation after DROP participation.—Upon
 2236 termination as defined in s. 121.021, DROP participants are

2237 subject to the same reemployment limitations as other retirees.
 2238 Reemployment restrictions applicable to retirees as provided in
 2239 subsection (10) ~~(9)~~ do not apply to DROP participants until
 2240 their employment and participation in DROP are terminated.

2241 (i) Contributions.—

2242 1. All employers paying the salary of a DROP participant
 2243 filling a regularly established position shall contribute 8.0
 2244 percent of such participant's gross compensation for the period
 2245 of July 1, 2002, through June 30, 2003, and the percentage of
 2246 such compensation required by s. 121.71 thereafter, which shall
 2247 constitute the entire employer DROP contribution with respect to
 2248 such participant. Such contributions, payable to the Florida
 2249 Retirement System Trust Fund in the same manner as required in
 2250 s. 121.071, must be made as appropriate for each pay period and
 2251 are in addition to contributions required for social security
 2252 and the Retiree Health Insurance Subsidy Trust Fund. Such
 2253 employer, social security, and health insurance subsidy
 2254 contributions are not included in DROP.

2255 2. The employer shall, in addition to subparagraph 1.,
 2256 also withhold one-half of the entire social security
 2257 contribution required for the participant. Contributions for
 2258 social security by each participant and each employer, in the
 2259 amount required for social security coverage as provided by the
 2260 federal Social Security Act, are in addition to contributions
 2261 specified in subparagraph 1.

2262 3. All employers paying the salary of a DROP participant

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2263 filling a regularly established position shall contribute the
 2264 percent of such participant's gross compensation required in s.
 2265 121.071(4), which constitutes the employer's health insurance
 2266 subsidy contribution with respect to such participant. Such
 2267 contributions must be deposited by the administrator in the
 2268 Retiree Health Insurance Subsidy Trust Fund.

2269 4. A DROP participant who is a member of the hybrid plan
 2270 may not continue to make contributions to the member's
 2271 investment plan account. The member may not take a distribution
 2272 from the member's investment plan account until the member's
 2273 employment and participation in DROP has terminated.

2274 (j) Forfeiture of retirement benefits.—This section does
 2275 not remove DROP participants from the scope of s. 8(d), Art. II
 2276 of the State Constitution, s. 112.3173, and paragraph (6) (f)
 2277 ~~(5) (f)~~. DROP participants who commit a specified felony offense
 2278 while employed are subject to forfeiture of all retirement
 2279 benefits, including DROP benefits, pursuant to those provisions
 2280 of law.

2281 (k) Administration of program.—The division shall adopt
 2282 rules as necessary for the effective and efficient
 2283 administration of this subsection. The division is not required
 2284 to advise members of the federal tax consequences of an election
 2285 related to the DROP but may advise members to seek independent
 2286 advice.

2287 (15) (14) PAYMENT OF BENEFITS.—This subsection applies to
 2288 the payment of benefits to a payee (retiree or beneficiary)

2289 | under the Florida Retirement System:

2290 | (a) Federal income tax shall be withheld in accordance
 2291 | with federal law, unless the payee elects otherwise on Form W-
 2292 | 4P. The division shall prepare and distribute to each recipient
 2293 | of monthly retirement benefits an appropriate income tax form
 2294 | that reflects the recipient's income and federal income tax
 2295 | withheld for the calendar year just ended.

2296 | (b) Subject to approval by the division in accordance with
 2297 | rule 60S-4.015, Florida Administrative Code, a payee receiving
 2298 | retirement benefits under the system may also have the following
 2299 | payments deducted from his or her monthly benefit:

2300 | 1. Premiums for life and health-related insurance policies
 2301 | from approved companies.

2302 | 2. Life insurance premiums for the State Group Life
 2303 | Insurance Plan, if authorized in writing by the payee and by the
 2304 | department.

2305 | 3. Repayment of overpayments from the Florida Retirement
 2306 | System Trust Fund, the State Employees' Health Insurance Trust
 2307 | Fund, or the State Employees' Life Insurance Trust Fund, upon
 2308 | notification of the payee.

2309 | 4. Payments to an alternate payee for alimony or child
 2310 | support pursuant to an income deduction order under s. 61.1301,
 2311 | or division of marital assets pursuant to a qualified domestic
 2312 | relations order under s. 222.21.

2313 | 5. Payments to the Internal Revenue Service for federal
 2314 | income tax levies, upon notification of the division by the

2315 Internal Revenue Service.

2316 (c) A payee must notify the division of any change in his
 2317 or her address. The division may suspend benefit payments to a
 2318 payee if correspondence sent to the payee's mailing address is
 2319 returned due to an incorrect address. Benefit payments shall be
 2320 resumed upon notification to the division of the payee's new
 2321 address.

2322 (d) A payee whose retirement benefits are reduced by the
 2323 application of maximum benefit limits under s. 415(b) of the
 2324 Internal Revenue Code, as specified in s. 121.30(5), shall have
 2325 the portion of his or her calculated benefit in the Florida
 2326 Retirement System Pension Plan which exceeds such federal
 2327 limitation paid through the Florida Retirement System
 2328 Preservation of Benefits Plan, as provided in s. 121.1001.

2329 (e) The Division of Retirement may issue retirement
 2330 benefits payable for division of marital assets pursuant to a
 2331 qualified domestic relations order directly to the alternate
 2332 payee, any court order to the contrary notwithstanding, in order
 2333 to meet Internal Revenue Code requirements.

2334 (f) A benefit may not be reduced for the purpose of
 2335 preserving the member's eligibility for a federal program.

2336 (g) The division shall adopt rules establishing procedures
 2337 for determining that persons to whom benefits are being paid are
 2338 still living. The division shall suspend the benefits being paid
 2339 to any payee if it is unable to contact such payee and to
 2340 confirm that he or she is still living.

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2341 Section 7. Paragraph (c) of subsection (3) of section
 2342 121.35, Florida Statutes, is amended to read:

2343 121.35 Optional retirement program for the State
 2344 University System.—

2345 (3) ELECTION OF OPTIONAL PROGRAM.—

2346 (c) Any employee who becomes eligible to participate in
 2347 the optional retirement program on or after January 1, 1993,
 2348 shall be a compulsory participant of the program unless such
 2349 employee elects membership in the Florida Retirement System.
 2350 Such election shall be made in writing and filed with the
 2351 personnel officer of the employer. Any eligible employee who
 2352 fails to make such election within the prescribed time period
 2353 shall be deemed to have elected to participate in the optional
 2354 retirement program.

2355 1. Any employee whose optional retirement program
 2356 eligibility results from initial employment shall be enrolled in
 2357 the program at the commencement of employment. If, within 90
 2358 days after commencement of employment, the employee elects
 2359 membership in the Florida Retirement System, such membership
 2360 shall be effective retroactive to the date of commencement of
 2361 employment as provided in s. 121.4501(4).

2362 2. Any employee whose optional retirement program
 2363 eligibility results from a change in status due to the
 2364 subsequent designation of the employee's position as one of
 2365 those specified in paragraph (2)(a) or due to the employee's
 2366 appointment, promotion, transfer, or reclassification to a

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2367 position specified in paragraph (2) (a) shall be enrolled in the
 2368 optional retirement program upon such change in status and shall
 2369 be notified by the employer of such action. If, within 90 days
 2370 after the date of such notification, the employee elects to
 2371 retain membership in the Florida Retirement System, such
 2372 continuation of membership shall be retroactive to the date of
 2373 the change in status.

2374 3. Notwithstanding subparagraphs 1. and 2. ~~the provisions~~
 2375 ~~of this paragraph~~, effective July 1, 1997, any employee who is
 2376 eligible to participate in the Optional Retirement Program and
 2377 who fails to execute a contract with one of the approved
 2378 companies and to notify the department in writing as provided in
 2379 subsection (4) within 90 days after the date of eligibility
 2380 shall be deemed to have elected membership in the Florida
 2381 Retirement System, except as provided in s. 121.051(1) (a). This
 2382 provision shall also apply to any employee who terminates
 2383 employment in an eligible position before executing the required
 2384 investment annuity contract and notifying the department. Such
 2385 membership shall be retroactive to the date of eligibility, and
 2386 all appropriate contributions shall be transferred to the
 2387 Florida Retirement System Trust Fund and the Health Insurance
 2388 Subsidy Trust Fund.

2389 Section 8. Paragraph (e) and paragraphs (g) through (l) of
 2390 subsection (2), subsection (4), paragraph (a) of subsection (5),
 2391 paragraph (a) of subsection (9), paragraph (c) of subsection
 2392 (10), and subsection (21) of section 121.4501, Florida Statutes,

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2393 are amended to read:

2394 121.4501 Florida Retirement System Investment Plan.—

2395 (2) DEFINITIONS.—As used in this part, the term:

2396 (e) "Eligible employee" means an officer or employee, as
2397 defined in s. 121.021, who:

2398 1. Is a member of, or is eligible for membership in, the
2399 Florida Retirement System, including any renewed member of the
2400 Florida Retirement System initially enrolled before July 1,
2401 2010; or

2402 2. Participates in, or is eligible to participate in, the
2403 Senior Management Service Optional Annuity Program as
2404 established under s. 121.055(6), the State Community College
2405 System Optional Retirement Program as established under s.
2406 121.051(2)(c), or the State University System Optional
2407 Retirement Program established under s. 121.35.

2408
2409 The term does not include any member participating in the
2410 Deferred Retirement Option Program established under s.
2411 121.091(14) ~~121.091(13)~~, a retiree of a state-administered
2412 retirement system initially reemployed in a regularly
2413 established position on or after July 1, 2010, or a mandatory
2414 participant of the State University System Optional Retirement
2415 Program established under s. 121.35.

2416 (g) "Florida Retirement System Hybrid Plan" or "hybrid
2417 plan" means a retirement program where the member participates
2418 in both the pension plan and the investment plan. The pension

2419 plan component is funded by employer contributions and the
 2420 investment plan component is funded by employee contributions.

2421 (h)~~(g)~~ "Florida Retirement System Investment Plan" or
 2422 "investment plan" means the defined contribution program
 2423 established under this part.

2424 (i)~~(h)~~ "Florida Retirement System Pension Plan" or
 2425 "pension plan" means the defined benefit program of the Florida
 2426 Retirement System administered under part I of this chapter.

2427 (j)~~(i)~~ "Member" or "employee" means an eligible employee
 2428 who enrolls in the hybrid plan or investment plan or defaults
 2429 into the investment plan as provided in subsection (4), a
 2430 terminated Deferred Retirement Option Program member as
 2431 described in subsection (21), or a beneficiary or alternate
 2432 payee of a member or employee.

2433 (k)~~(j)~~ "Member contributions" or "employee contributions"
 2434 means the sum of all amounts deducted from the salary of a
 2435 member by his or her employer in accordance with s. 121.71(3)
 2436 and credited to his or her individual account in the investment
 2437 plan, plus any earnings on such amounts and any contributions
 2438 specified in paragraph (5)(e).

2439 (l)~~(k)~~ "Retiree" means a former member of the investment
 2440 plan or hybrid plan who has terminated employment and taken a
 2441 distribution of vested employee or employer contributions as
 2442 provided in s. 121.591, except for a mandatory distribution of a
 2443 de minimis account authorized by the state board or a minimum
 2444 required distribution provided by s. 401(a)(9) of the Internal

2445 Revenue Code.

2446 ~~(m)(1)~~ "Vested" or "vesting" means the guarantee that a
 2447 member is eligible to receive a retirement benefit upon
 2448 completion of the required years of service under the investment
 2449 plan.

2450 (4) PARTICIPATION; ENROLLMENT.—

2451 (a)1. Effective June 1, 2002, through February 28, 2003, a
 2452 90-day election period was provided to each eligible employee
 2453 participating in the Florida Retirement System, preceded by a
 2454 90-day education period, allowing each eligible employee to
 2455 elect membership in the investment plan; an employee who failed
 2456 to elect the investment plan during the election period remained
 2457 in the pension plan. An eligible employee who was employed in a
 2458 regularly established position during the election period was
 2459 granted the option to make one subsequent election, as provided
 2460 in paragraph (f). With respect to an eligible employee who did
 2461 not participate in the initial election period or who is
 2462 employed initially in a regularly established position after the
 2463 close of the initial election period but before July 1, 2015, on
 2464 June 1, 2002, by a state employer:

2465 ~~a. Any such employee may elect to participate in the~~
 2466 ~~investment plan in lieu of retaining his or her membership in~~
 2467 ~~the pension plan. The election must be made in writing or by~~
 2468 ~~electronic means and must be filed with the third party~~
 2469 ~~administrator by August 31, 2002, or, in the case of an active~~
 2470 ~~employee who is on a leave of absence on April 1, 2002, by the~~

2471 ~~last business day of the 5th month following the month the leave~~
 2472 ~~of absence concludes. This election is irrevocable, except as~~
 2473 ~~provided in paragraph (g). Upon making such election, the~~
 2474 ~~employee shall be enrolled as a member of the investment plan,~~
 2475 ~~the employee's membership in the Florida Retirement System is~~
 2476 ~~governed by the provisions of this part, and the employee's~~
 2477 ~~membership in the pension plan terminates. The employee's~~
 2478 ~~enrollment in the investment plan is effective the first day of~~
 2479 ~~the month for which a full month's employer contribution is made~~
 2480 ~~to the investment plan.~~

2481 ~~b. Any such employee who fails to elect to participate in~~
 2482 ~~the investment plan within the prescribed time period is deemed~~
 2483 ~~to have elected to retain membership in the pension plan, and~~
 2484 ~~the employee's option to elect to participate in the investment~~
 2485 ~~plan is forfeited.~~

2486 ~~2. With respect to employees who become eligible to~~
 2487 ~~participate in the investment plan by reason of employment in a~~
 2488 ~~regularly established position with a state employer commencing~~
 2489 ~~after April 1, 2002:~~

2490 ~~a. Any such employee shall, by default, be enrolled in the~~
 2491 ~~pension plan at the commencement of employment, and may, by the~~
 2492 ~~last business day of the 5th month following the employee's~~
 2493 ~~month of hire, elect to participate in the investment plan. The~~
 2494 ~~employee's election must be made in writing or by electronic~~
 2495 ~~means and must be filed with the third-party administrator. The~~
 2496 ~~election to participate in the investment plan is irrevocable,~~

2497 | except as provided in paragraph (f) ~~(g)~~.

2498 | ~~a.b.~~ If the employee files such election within the
 2499 | prescribed time period, enrollment in the investment plan is
 2500 | effective on the first day of employment. The retirement
 2501 | contributions paid through the month of the employee plan change
 2502 | shall be transferred to the investment program, and, effective
 2503 | the first day of the next month, the employer and employee must
 2504 | pay the applicable contributions based on the employee
 2505 | membership class in the program.

2506 | ~~b.c.~~ An employee who fails to elect to participate in the
 2507 | investment plan within the prescribed time period is deemed to
 2508 | have elected to retain membership in the pension plan, and the
 2509 | employee's option to elect to participate in the investment plan
 2510 | is forfeited.

2511 | ~~2.3.~~ With respect to employees who become eligible to
 2512 | participate in the investment plan pursuant to s.
 2513 | 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to
 2514 | participate in the investment plan in lieu of retaining his or
 2515 | her membership in the State Community College System Optional
 2516 | Retirement Program or the State University System Optional
 2517 | Retirement Program. The election must be made in writing or by
 2518 | electronic means and must be filed with the third-party
 2519 | administrator. This election is irrevocable, except as provided
 2520 | in paragraphs (f) and ~~paragraph~~ (g). Upon making such election,
 2521 | the employee shall be enrolled as a member in the investment
 2522 | plan, the employee's membership in the Florida Retirement System

2523 is governed by the provisions of this part, and the employee's
 2524 participation in the State Community College System Optional
 2525 Retirement Program or the State University System Optional
 2526 Retirement Program terminates. The employee's enrollment in the
 2527 investment plan is effective on the first day of the month for
 2528 which a full month's employer and employee contribution is made
 2529 to the investment plan.

2530 ~~4. For purposes of this paragraph, "state employer" means~~
 2531 ~~any agency, board, branch, commission, community college,~~
 2532 ~~department, institution, institution of higher education, or~~
 2533 ~~water management district of the state, which participates in~~
 2534 ~~the Florida Retirement System for the benefit of certain~~
 2535 ~~employees.~~

2536 ~~(b)1. With respect to an eligible employee who is employed~~
 2537 ~~in a regularly established position on September 1, 2002, by a~~
 2538 ~~district school board employer:~~

2539 ~~a. Any such employee may elect to participate in the~~
 2540 ~~investment plan in lieu of retaining his or her membership in~~
 2541 ~~the pension plan. The election must be made in writing or by~~
 2542 ~~electronic means and must be filed with the third party~~
 2543 ~~administrator by November 30, or, in the case of an active~~
 2544 ~~employee who is on a leave of absence on July 1, 2002, by the~~
 2545 ~~last business day of the 5th month following the month the leave~~
 2546 ~~of absence concludes. This election is irrevocable, except as~~
 2547 ~~provided in paragraph (g). Upon making such election, the~~
 2548 ~~employee shall be enrolled as a member of the investment plan,~~

2549 ~~the employee's membership in the Florida Retirement System is~~
 2550 ~~governed by the provisions of this part, and the employee's~~
 2551 ~~membership in the pension plan terminates. The employee's~~
 2552 ~~enrollment in the investment plan is effective the first day of~~
 2553 ~~the month for which a full month's employer contribution is made~~
 2554 ~~to the investment program.~~

2555 ~~b. Any such employee who fails to elect to participate in~~
 2556 ~~the investment plan within the prescribed time period is deemed~~
 2557 ~~to have elected to retain membership in the pension plan, and~~
 2558 ~~the employee's option to elect to participate in the investment~~
 2559 ~~plan is forfeited.~~

2560 ~~2. With respect to employees who become eligible to~~
 2561 ~~participate in the investment plan by reason of employment in a~~
 2562 ~~regularly established position with a district school board~~
 2563 ~~employer commencing after July 1, 2002:~~

2564 ~~a. Any such employee shall, by default, be enrolled in the~~
 2565 ~~pension plan at the commencement of employment, and may, by the~~
 2566 ~~last business day of the 5th month following the employee's~~
 2567 ~~month of hire, elect to participate in the investment plan. The~~
 2568 ~~employee's election must be made in writing or by electronic~~
 2569 ~~means and must be filed with the third-party administrator. The~~
 2570 ~~election to participate in the investment plan is irrevocable,~~
 2571 ~~except as provided in paragraph (g).~~

2572 ~~b. If the employee files such election within the~~
 2573 ~~prescribed time period, enrollment in the investment plan is~~
 2574 ~~effective on the first day of employment. The employer~~

2575 ~~retirement contributions paid through the month of the employee~~
 2576 ~~plan change shall be transferred to the investment plan, and,~~
 2577 ~~effective the first day of the next month, the employer shall~~
 2578 ~~pay the applicable contributions based on the employee~~
 2579 ~~membership class in the investment plan.~~

2580 ~~e. Any such employee who fails to elect to participate in~~
 2581 ~~the investment plan within the prescribed time period is deemed~~
 2582 ~~to have elected to retain membership in the pension plan, and~~
 2583 ~~the employee's option to elect to participate in the investment~~
 2584 ~~plan is forfeited.~~

2585 ~~3. For purposes of this paragraph, "district school board~~
 2586 ~~employer" means any district school board that participates in~~
 2587 ~~the Florida Retirement System for the benefit of certain~~
 2588 ~~employees, or a charter school or charter technical career~~
 2589 ~~center that participates in the Florida Retirement System as~~
 2590 ~~provided in s. 121.051(2) (d).~~

2591 ~~(c)1. With respect to an eligible employee who is employed~~
 2592 ~~in a regularly established position on December 1, 2002, by a~~
 2593 ~~local employer:~~

2594 ~~a. Any such employee may elect to participate in the~~
 2595 ~~investment plan in lieu of retaining his or her membership in~~
 2596 ~~the pension plan. The election must be made in writing or by~~
 2597 ~~electronic means and must be filed with the third-party~~
 2598 ~~administrator by February 28, 2003, or, in the case of an active~~
 2599 ~~employee who is on a leave of absence on October 1, 2002, by the~~
 2600 ~~last business day of the 5th month following the month the leave~~

2601 ~~of absence concludes. This election is irrevocable, except as~~
 2602 ~~provided in paragraph (g). Upon making such election, the~~
 2603 ~~employee shall be enrolled as a participant of the investment~~
 2604 ~~plan, the employee's membership in the Florida Retirement System~~
 2605 ~~is governed by the provisions of this part, and the employee's~~
 2606 ~~membership in the pension plan terminates. The employee's~~
 2607 ~~enrollment in the investment plan is effective the first day of~~
 2608 ~~the month for which a full month's employer contribution is made~~
 2609 ~~to the investment plan.~~

2610 ~~b. Any such employee who fails to elect to participate in~~
 2611 ~~the investment plan within the prescribed time period is deemed~~
 2612 ~~to have elected to retain membership in the pension plan, and~~
 2613 ~~the employee's option to elect to participate in the investment~~
 2614 ~~plan is forfeited.~~

2615 ~~2. With respect to employees who become eligible to~~
 2616 ~~participate in the investment plan by reason of employment in a~~
 2617 ~~regularly established position with a local employer commencing~~
 2618 ~~after October 1, 2002:~~

2619 ~~a. Any such employee shall, by default, be enrolled in the~~
 2620 ~~pension plan at the commencement of employment, and may, by the~~
 2621 ~~last business day of the 5th month following the employee's~~
 2622 ~~month of hire, elect to participate in the investment plan. The~~
 2623 ~~employee's election must be made in writing or by electronic~~
 2624 ~~means and must be filed with the third party administrator. The~~
 2625 ~~election to participate in the investment plan is irrevocable,~~
 2626 ~~except as provided in paragraph (g).~~

2627 ~~b. If the employee files such election within the~~
 2628 ~~prescribed time period, enrollment in the investment plan is~~
 2629 ~~effective on the first day of employment. The employer~~
 2630 ~~retirement contributions paid through the month of the employee~~
 2631 ~~plan change shall be transferred to the investment plan, and,~~
 2632 ~~effective the first day of the next month, the employer shall~~
 2633 ~~pay the applicable contributions based on the employee~~
 2634 ~~membership class in the investment plan.~~

2635 ~~e. Any such employee who fails to elect to participate in~~
 2636 ~~the investment plan within the prescribed time period is deemed~~
 2637 ~~to have elected to retain membership in the pension plan, and~~
 2638 ~~the employee's option to elect to participate in the investment~~
 2639 ~~plan is forfeited.~~

2640 ~~3. For purposes of this paragraph, "local employer" means~~
 2641 ~~any employer not included in paragraph (a) or paragraph (b).~~

2642 (b)1.a. An employee who is initially employed on or after
 2643 July 1, 2015, in a covered position eligible to participate in
 2644 the Special Risk Class, shall be enrolled in the pension plan at
 2645 the commencement of employment.

2646 b. The employee must elect to participate in the pension
 2647 plan, the hybrid plan, or the investment plan by the last
 2648 business day of the 8th month following the employee's month of
 2649 hire. The employee's election must be in writing or by
 2650 electronic means and filed with the administrator. The employee
 2651 must be earning service credit in an employer-employee
 2652 relationship that is consistent with s. 121.021(17)(b),

2653 excluding leaves of absence without pay. The election is
 2654 irrevocable except as provided in paragraph (f).

2655 c. If the employee files such election within the
 2656 prescribed time period, enrollment in the pension plan, the
 2657 hybrid plan, or the investment plan is effective on the first
 2658 day of employment. The retirement contributions paid through the
 2659 month of the employee plan change shall be transferred, if
 2660 necessary, to the plan selected by the employee. Effective the
 2661 first day of the next month, the employer and employee shall pay
 2662 the applicable contributions based on the employee membership
 2663 class.

2664 d. If the employee fails to make an election by the last
 2665 business day of the 8th month following the employee's month of
 2666 hire, the employee is deemed to have elected the investment plan
 2667 and will be defaulted into the investment plan retroactively to
 2668 the employee's date of employment.

2669 e. The amount of the employee and employer contributions
 2670 paid before the default shall be transferred to the investment
 2671 plan and be placed in a default fund as designated by the state
 2672 board. The employee may move the contributions once an account
 2673 is activated in the investment plan.

2674 f. If the employee chooses to participate in the pension
 2675 plan, but the employee is later employed in a position that is
 2676 no longer eligible to participate in the Special Risk Class, the
 2677 employee will continue to participate in the pension plan,
 2678 unless the employee elects to transfer to another plan. Such

2679 transfer may only occur if the employee has an election
 2680 opportunity remaining as provided for in paragraph (f).

2681 g. An employee initially enrolled on or after July 1,
 2682 2015, who was not eligible to elect participation in the pension
 2683 plan, who later becomes eligible to participate in the Special
 2684 Risk Class, may elect to transfer to the pension plan if the
 2685 employee has an election opportunity remaining as provided in
 2686 paragraph (f).

2687 2.a. An employee who is initially enrolled in the system
 2688 on or after July 1, 2015, except an employee who participates in
 2689 the Special Risk Class, withdraws from the system under s.
 2690 121.052(3)(d) or s. 121.055(1)(b)2., or participates in an
 2691 optional retirement programs under s. 121.051(1)(a), s.
 2692 121.051(2)(c), or s. 121.35, shall be enrolled in the hybrid
 2693 plan at the commencement of employment and may, by the last
 2694 business day of the 8th month following the employee's month of
 2695 hire, elect to participate in the hybrid plan or the investment
 2696 plan. Employees may make a plan election only if they are
 2697 earning service credit in an employer-employee relationship
 2698 consistent with s. 121.021(17)(b), excluding leaves of absence
 2699 without pay.

2700 b. The employee's election must be made in writing or by
 2701 electronic means and must be filed with the administrator. The
 2702 election to participate in the hybrid plan or investment plan is
 2703 irrevocable, except as provided in paragraph (f).

2704 c. If the employee fails to make an election to either the

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2705 hybrid plan or investment plan during the 8 months following the
 2706 month of hire, the employee is deemed to have elected the
 2707 investment plan, and will be defaulted to the investment plan
 2708 retroactively to the employee's date of employment. The
 2709 employee's option to participate in the hybrid plan is
 2710 forfeited, except as provided in paragraph (f).

2711 d. The amount of the employer contributions paid prior to
 2712 the default to the investment plan shall be transferred to the
 2713 investment plan and placed in the employee's account.

2714 e. The amount of the employee contributions paid prior to
 2715 the default to the investment plan shall be transferred to the
 2716 investment plan and placed in a default fund as designated by
 2717 the state board. The employee may move the contributions once an
 2718 account is activated in the investment plan.

2719 f. Effective the first day of the month after an eligible
 2720 employee makes a plan election to the hybrid plan or investment
 2721 plan, or after the month of default to the investment plan, the
 2722 employee and employer shall pay the applicable contributions
 2723 based on the employee membership class.

2724 g. The employee is not permitted to use the election
 2725 opportunity specified in paragraph (f) to transfer to the
 2726 pension plan, except as provided in sub-subparagraph (b)1.g.

2727 (c) ~~(d)~~ Contributions available for self-direction by a
 2728 member who has not selected one or more specific investment
 2729 products shall be allocated as prescribed by the state board.
 2730 The third-party administrator shall notify the member at least

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2731 | quarterly that the member should take an affirmative action to
 2732 | make an asset allocation among the investment products.

2733 | ~~(d)~~~~(e)~~ On or after July 1, 2011, a member of the pension
 2734 | plan who obtains a refund of employee contributions retains his
 2735 | or her prior plan choice upon return to employment in a
 2736 | regularly established position with a participating employer.

2737 | ~~(e)~~~~(f)~~ A member of the investment plan who takes a
 2738 | distribution of any contributions from his or her investment
 2739 | plan account is considered a retiree. A retiree who is initially
 2740 | reemployed in a regularly established position on or after July
 2741 | 1, 2010, is not eligible to be enrolled in renewed membership.

2742 | ~~(f)1.~~~~(g)~~ After the period during which an eligible
 2743 | employee, who initially enrolled before July 1, 2015, had the
 2744 | choice to elect the pension plan or the investment plan, or the
 2745 | month following the receipt of the eligible employee's plan
 2746 | election, if sooner, the employee shall have one opportunity, at
 2747 | the employee's discretion, to choose to move from the pension
 2748 | plan to the investment plan or from the investment plan to the
 2749 | pension plan.

2750 | 2. After the initial period during which an employee
 2751 | eligible to participate in the Special Risk Class, who initially
 2752 | enrolled on or after July 1, 2015, had the choice to elect the
 2753 | pension plan, hybrid plan, or investment plan, or the month
 2754 | following the receipt of the eligible employee's plan election,
 2755 | if sooner, the employee shall have one opportunity, at the
 2756 | employee's discretion, to move between plans.

2757 3. An eligible employee, other than an employee eligible
 2758 to participate in the Special Risk Class, who initially enrolled
 2759 on or after July 1, 2015, shall have one opportunity, at the
 2760 employee's discretion, to move from the hybrid plan to the
 2761 investment plan or from the investment plan to the hybrid plan.

2762 4. Eligible employees may elect to move between plans only
 2763 if they are earning service credit in an employer-employee
 2764 relationship consistent with s. 121.021(17)(b), excluding leaves
 2765 of absence without pay. ~~Effective July 1, 2005,~~ Such elections
 2766 are effective on the first day of the month following the
 2767 receipt of the election by the third-party administrator and are
 2768 not subject to the requirements regarding an employer-employee
 2769 relationship or receipt of contributions for the eligible
 2770 employee in the effective month, except when the election is
 2771 received by the third-party administrator. Notwithstanding any
 2772 other provision of law, an employee who uses the election option
 2773 in paragraph (g), if applicable, forfeits any remaining option
 2774 in this paragraph. This paragraph is contingent upon approval by
 2775 the Internal Revenue Service.

2776 a.1. If the employee chooses to move to the investment
 2777 plan, the provisions of subsection (3) govern the transfer.

2778 b.2. If the employee chooses to move to the pension plan,
 2779 the employee must transfer from his or her investment plan
 2780 account, and from other employee moneys as necessary, a sum
 2781 representing the present value of that employee's accumulated
 2782 benefit obligation immediately following the time of such

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2783 movement, determined assuming that attained service equals the
 2784 sum of service in the pension plan and service in the investment
 2785 plan. Benefit commencement occurs on the first date the employee
 2786 is eligible for unreduced benefits, using the discount rate and
 2787 other relevant actuarial assumptions that were used to value the
 2788 pension plan liabilities in the most recent actuarial valuation.
 2789 For any employee who, at the time of the second election,
 2790 already maintains an accrued benefit amount in the pension plan,
 2791 the then-present value of the accrued benefit is deemed part of
 2792 the required transfer amount. The division must ensure that the
 2793 transfer sum is prepared using a formula and methodology
 2794 certified by an enrolled actuary. A refund of any employee
 2795 contributions or additional member payments made which exceed
 2796 the employee contributions that would have accrued had the
 2797 member remained in the pension plan and not transferred to the
 2798 investment plan is not permitted.

2799 c.3. Notwithstanding sub-subparagraph b. ~~subparagraph 2.~~,
 2800 an employee who chooses to move to the pension plan and who
 2801 became eligible to participate in the investment plan by reason
 2802 of employment in a regularly established position with a state
 2803 employer after June 1, 2002; a district school board employer
 2804 after September 1, 2002; or a local employer after December 1,
 2805 2002, must transfer from his or her investment plan account, and
 2806 from other employee moneys as necessary, a sum representing the
 2807 employee's actuarial accrued liability. A refund of any employee
 2808 contributions or additional member ~~participant~~ payments made

2809 | which exceed the employee contributions that would have accrued
 2810 | had the member remained in the pension plan and not transferred
 2811 | to the investment plan is not permitted.

2812 | d.4. An employee's ability to transfer from the pension
 2813 | plan to the investment plan pursuant to paragraph (a) and this
 2814 | paragraph ~~paragraphs (a) (d)~~, and the ability of a current
 2815 | employee to have an option to later transfer back into the
 2816 | pension plan under sub-subparagraph b. subparagraph 2., shall be
 2817 | deemed a significant system amendment. Pursuant to s.
 2818 | 121.031(4), any resulting unfunded liability arising from actual
 2819 | original transfers from the pension plan to the investment plan
 2820 | must be amortized within 30 plan years as a separate unfunded
 2821 | actuarial base independent of the reserve stabilization
 2822 | mechanism defined in s. 121.031(3)(f). For the first 25 years, a
 2823 | direct amortization payment may not be calculated for this base.
 2824 | During this 25-year period, the separate base shall be used to
 2825 | offset the impact of employees exercising their second program
 2826 | election under this paragraph. The actuarial funded status of
 2827 | the pension plan is ~~will~~ not be affected by such second program
 2828 | elections in any significant manner, after due recognition of
 2829 | the separate unfunded actuarial base. Following the initial 25-
 2830 | year period, any remaining balance of the original separate base
 2831 | shall be amortized over the remaining 5 years of the required
 2832 | 30-year amortization period.

2833 | e.5. If the employee chooses to transfer from the
 2834 | investment plan to the pension plan and retains an excess

2835 account balance in the investment plan after satisfying the buy-
 2836 in requirements under this paragraph, the excess may not be
 2837 distributed until the member retires from the pension plan. The
 2838 excess account balance may be rolled over to the pension plan
 2839 and used to purchase service credit or upgrade creditable
 2840 service in the pension plan.

2841 f. An employee who chooses to move to the hybrid plan from
 2842 the investment plan may transfer to the hybrid plan
 2843 prospectively and retain the account balance under the
 2844 investment plan or may elect to transfer from his or her
 2845 investment plan account, and from other employee moneys as
 2846 necessary, a sum representing the employee's employer portion of
 2847 the actuarial accrued liability. The employee's portion of the
 2848 actuarial accrued liability shall be contained in the investment
 2849 component of the hybrid plan.

2850 g. An employee who chooses to move to the hybrid plan from
 2851 the pension plan, may retain all service credit earned under the
 2852 pension plan or elect to transfer a sum representing the present
 2853 value of the member's accumulated benefit obligation funded
 2854 through required employee contributions in the period of service
 2855 credit before transfer. The cost shall be calculated using the
 2856 discount rate and other relevant actuarial assumptions that were
 2857 used to value the Florida Retirement System pension liabilities
 2858 in the most recent actuarial valuation. The present value shall
 2859 be transferred to the investment plan and, if no fund selection
 2860 is made, shall be placed in a default fund as designated by the

2861 state board. The employee may move the contribution once an
 2862 account is activated in the investment plan.

2863 (g) An employee initially enrolled before July 1, 2015,
 2864 shall have one opportunity, at the employee's discretion, to
 2865 transfer from the pension plan to the hybrid plan or from the
 2866 investment plan to the hybrid plan. An eligible employee may
 2867 elect to transfer between plans only if he or she is earning
 2868 service credit in an employer-employee relationship consistent
 2869 with s. 121.021(17) (b), excluding leaves of absence without pay.
 2870 Such election is effective on the first day of the month
 2871 following the receipt of the election by the administrator and
 2872 is not subject to the requirements regarding an employer-
 2873 employee relationship or receipt of contributions for the
 2874 eligible employee in the effective month, except when the
 2875 election is received by the third-party administrator. This one-
 2876 time career transfer is irrevocable, and no other transfer is
 2877 allowed.

2878 (5) CONTRIBUTIONS.—

2879 (a) 1. For members of the investment plan, the employee and
 2880 employer shall make the required contributions to the investment
 2881 plan based on a percentage of the employee's gross monthly
 2882 compensation, as provided in part III of this chapter.

2883 2. Effective July 1, 2015, for members of the hybrid plan,
 2884 the employee shall make the required contributions to the
 2885 investment plan component based on a percentage of the
 2886 employee's gross monthly compensation, as provided in part III

2887 of this chapter.

2888 (9) INVESTMENT OPTIONS OR PRODUCTS; PERFORMANCE REVIEW.—

2889 (a) The state board shall develop policy and procedures
 2890 for selecting, evaluating, and monitoring the performance of
 2891 approved providers and investment products under the investment
 2892 plan. In accordance with such policy and procedures, the state
 2893 board shall designate and contract for a number of investment
 2894 products as determined by the board. The board shall also select
 2895 one or more bundled providers, each of which may offer multiple
 2896 investment options and related services, if such approach is
 2897 determined by the board to provide value to the members
 2898 otherwise not available through individual investment products.
 2899 Each approved bundled provider may offer investment options that
 2900 provide members with the opportunity to invest in each of the
 2901 following asset classes, to be composed of individual options
 2902 that represent a single asset class or a combination thereof:
 2903 money markets, United States fixed income, United States
 2904 equities, and foreign stock. The state board shall review and
 2905 manage all educational materials, contract terms, fee schedules,
 2906 and other aspects of the approved provider relationships to
 2907 ensure that no provider is unduly favored or penalized by virtue
 2908 of its status within the investment plan. Additionally, the
 2909 state board, consistent with its fiduciary responsibilities, may
 2910 develop one or more investment products to be offered in the
 2911 investment plan.

2912 (10) EDUCATION COMPONENT.—

2913 (c) The state board, in coordination with the department,
 2914 shall provide for an initial and ongoing transfer education
 2915 component to provide system members with information necessary
 2916 to make informed plan choice decisions. The transfer education
 2917 component must include, but is not limited to, information on:

2918 1. The amount of money available to a member for
 2919 transferring to the investment plan or the hybrid plan ~~to~~
 2920 ~~transfer to the defined contribution program.~~

2921 2. The features of and differences between the pension
 2922 plan, the investment plan, and the hybrid plan ~~and the defined~~
 2923 ~~contribution program~~, both generally and specifically, as those
 2924 differences may affect the member.

2925 3. The expected benefit available if the member were to
 2926 retire under each of the retirement plans ~~programs~~, based on
 2927 appropriate alternative sets of assumptions.

2928 4. The rate of return from investments in the investment
 2929 plan ~~defined contribution program~~ and the period of time over
 2930 which such rate of return must be achieved to equal or exceed
 2931 the expected monthly benefit payable to the member under the
 2932 pension plan or the benefit payable to the member under the
 2933 hybrid plan.

2934 5. The historical rates of return for the investment
 2935 alternatives available in the investment plan and hybrid plan
 2936 ~~defined contribution programs.~~

2937 6. The benefits and historical rates of return on
 2938 investments available in a typical deferred compensation plan or

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2939 a typical plan under s. 403(b) of the Internal Revenue Code for
 2940 which the employee may be eligible.

2941 7. The program choices available to employees of the State
 2942 University System and the comparative benefits of each available
 2943 program, if applicable.

2944 8. Payout options available in each of the retirement
 2945 plans ~~programs~~.

2946 (21) PARTICIPATION BY TERMINATED DEFERRED RETIREMENT
 2947 OPTION PROGRAM MEMBERS.—Notwithstanding any other provision of
 2948 law, members in the Deferred Retirement Option Program offered
 2949 under part I may, after conclusion of their participation in the
 2950 program, elect to roll over or authorize a direct trustee-to-
 2951 trustee transfer to an account under the investment plan of
 2952 their Deferred Retirement Option Program proceeds distributed as
 2953 provided under s. 121.091(14)(c)5. ~~121.091(13)(c)5.~~ The
 2954 transaction must constitute an "eligible rollover distribution"
 2955 within the meaning of s. 402(c)(4) of the Internal Revenue Code.

2956 (a) The investment plan may accept such amounts for
 2957 deposit into member accounts as provided in paragraph (5)(e).

2958 (b) The affected member shall direct the investment of his
 2959 or her investment account; however, unless he or she becomes a
 2960 renewed member of the Florida Retirement System under s. 121.122
 2961 and elects to participate in the investment plan, no
 2962 contributions may be made to the member's account as provided
 2963 under paragraph (5)(a).

2964 (c) The state board or the department is not responsible

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2965 for locating those persons who may be eligible to participate in
 2966 the investment plan under this subsection.

2967 Section 9. Section 121.591, Florida Statutes, is amended
 2968 to read:

2969 121.591 Payment of benefits.—Benefits may not be paid
 2970 under the Florida Retirement System Investment Plan or Florida
 2971 Retirement System Hybrid Plan unless the member has terminated
 2972 employment as provided in s. 121.021(39)(a) or is deceased and a
 2973 proper application has been filed as prescribed by the state
 2974 board or the department. Benefits, including employee
 2975 contributions, are not payable under the investment plan or
 2976 hybrid plan for employee hardships, unforeseeable emergencies,
 2977 loans, medical expenses, educational expenses, purchase of a
 2978 principal residence, payments necessary to prevent eviction or
 2979 foreclosure on an employee's principal residence, or any other
 2980 reason except a requested distribution for retirement, a
 2981 mandatory de minimis distribution authorized by the
 2982 administrator, or a required minimum distribution provided
 2983 pursuant to the Internal Revenue Code. The state board or
 2984 department, as appropriate, may cancel an application for
 2985 retirement benefits if the member or beneficiary fails to timely
 2986 provide the information and documents required by this chapter
 2987 and the rules of the state board and department. In accordance
 2988 with their respective responsibilities, the state board and the
 2989 department shall adopt rules establishing procedures for
 2990 application for retirement benefits and for the cancellation of

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2991 such application if the required information or documents are
 2992 not received. The state board and the department, as
 2993 appropriate, are authorized to cash out a de minimis account of
 2994 a member who has been terminated from Florida Retirement System
 2995 covered employment for a minimum of 6 calendar months. A de
 2996 minimis account is an account containing employer and employee
 2997 contributions and accumulated earnings of not more than \$5,000
 2998 made under the provisions of this chapter. Such cash-out must be
 2999 a complete lump-sum liquidation of the account balance, subject
 3000 to the provisions of the Internal Revenue Code, or a lump-sum
 3001 direct rollover distribution paid directly to the custodian of
 3002 an eligible retirement plan, as defined by the Internal Revenue
 3003 Code, on behalf of the member. Any nonvested accumulations and
 3004 associated service credit, including amounts transferred to the
 3005 suspense account of the Florida Retirement System Investment
 3006 Plan Trust Fund authorized under s. 121.4501(6), shall be
 3007 forfeited upon payment of any vested benefit to a member or
 3008 beneficiary, except for de minimis distributions or minimum
 3009 required distributions as provided under this section. If any
 3010 financial instrument issued for the payment of retirement
 3011 benefits under this section is not presented for payment within
 3012 180 days after the last day of the month in which it was
 3013 originally issued, the third-party administrator or other duly
 3014 authorized agent of the state board shall cancel the instrument
 3015 and credit the amount of the instrument to the suspense account
 3016 of the Florida Retirement System Investment Plan Trust Fund

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3017 | authorized under s. 121.4501(6). Any amounts transferred to the
 3018 | suspense account are payable upon a proper application, not to
 3019 | include earnings thereon, as provided in this section, within 10
 3020 | years after the last day of the month in which the instrument
 3021 | was originally issued, after which time such amounts and any
 3022 | earnings attributable to employer contributions shall be
 3023 | forfeited. Any forfeited amounts are assets of the trust fund
 3024 | and are not subject to chapter 717.

3025 | (1) NORMAL BENEFITS.—Under the investment plan and the
 3026 | investment plan component of the hybrid plan:

3027 | (a) Benefits in the form of vested accumulations as
 3028 | described in s. 121.4501(6) are payable under this subsection in
 3029 | accordance with the following terms and conditions:

3030 | 1. Benefits are payable only to a member, an alternate
 3031 | payee of a qualified domestic relations order, or a beneficiary,
 3032 | except as provided in s. 121.091(8).

3033 | 2. Benefits shall be paid by the third-party administrator
 3034 | or designated approved providers in accordance with the law, the
 3035 | contracts, and any applicable board rule or policy.

3036 | 3. The member must be terminated from all employment with
 3037 | all Florida Retirement System employers, as provided in s.
 3038 | 121.021(39).

3039 | 4. Benefit payments may not be made until the member has
 3040 | been terminated for 3 calendar months, except that the state
 3041 | board may authorize by rule for the distribution of up to 10
 3042 | percent of the member's account after being terminated for 1

3043 calendar month if the member has reached the normal retirement
 3044 date as defined in s. 121.021.

3045 5. If a member or former member of the Florida Retirement
 3046 System receives an invalid distribution, such person must either
 3047 repay the full amount within 90 days after receipt of final
 3048 notification by the state board or the third-party administrator
 3049 that the distribution was invalid, or, in lieu of repayment, the
 3050 member must terminate employment from all participating
 3051 employers. If such person fails to repay the full invalid
 3052 distribution within 90 days after receipt of final notification,
 3053 the person may be deemed retired from the investment plan by the
 3054 state board and is subject to s. 121.122. If such person is
 3055 deemed retired, any joint and several liability set out in s.
 3056 121.091(10)(d)2. ~~121.091(9)(d)2.~~ is void, and the state board,
 3057 the department, or the employing agency is not liable for gains
 3058 on payroll contributions that have not been deposited to the
 3059 person's account in the investment plan, pending resolution of
 3060 the invalid distribution. The member or former member who has
 3061 been deemed retired or who has been determined by the state
 3062 board to have taken an invalid distribution may appeal the
 3063 agency decision through the complaint process as provided under
 3064 s. 121.4501(9)(g)3. As used in this subparagraph, the term
 3065 "invalid distribution" means any distribution from an account in
 3066 the investment plan which is taken in violation of this section,
 3067 s. 121.091(10) ~~121.091(9)~~, or s. 121.4501.

3068 (b) If a member elects to receive his or her benefits upon

3069 termination of employment as defined in s. 121.021, the member
 3070 must submit a written application or an application by
 3071 electronic means to the third-party administrator indicating his
 3072 or her preferred distribution date and selecting an authorized
 3073 method of distribution as provided in paragraph (c). The member
 3074 may defer receipt of benefits until he or she chooses to make
 3075 such application, subject to federal requirements.

3076 (c) Upon receipt by the third-party administrator of a
 3077 properly executed application for distribution of benefits, the
 3078 total accumulated benefit is payable to the member pro rata
 3079 across all Florida Retirement System benefit sources as:

- 3080 1. A lump-sum or partial distribution to the member;
- 3081 2. A lump-sum direct rollover distribution whereby all
 3082 accrued benefits, plus interest and investment earnings, are
 3083 paid from the member's account directly to the custodian of an
 3084 eligible retirement plan, as defined in s. 402(c)(8)(B) of the
 3085 Internal Revenue Code, on behalf of the member; or
- 3086 3. Periodic distributions, as authorized by the state
 3087 board.

3088 (d) The distribution payment method selected by the member
 3089 or beneficiary, and the retirement of the member or beneficiary,
 3090 is final and irrevocable at the time a benefit distribution
 3091 payment is cashed, deposited, or transferred to another
 3092 financial institution. Any additional service that remains
 3093 unclaimed at retirement may not be claimed or purchased, and the
 3094 type of retirement may not be changed, except that if a member

3095 recovers from a disability, the member may subsequently request
 3096 benefits under subsection (2).

3097 (e) A member may not receive a distribution of employee
 3098 contributions if a pending qualified domestic relations order is
 3099 filed against the member's investment plan account.

3100 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided
 3101 under this subsection are payable in lieu of the benefits that
 3102 would otherwise be payable under the provisions of subsection
 3103 (1). Such benefits must be funded from employer contributions
 3104 made under s. 121.571, transferred employee contributions and
 3105 funds accumulated pursuant to paragraph (a), and interest and
 3106 earnings thereon.

3107 (a) Transfer of funds.—To qualify to receive monthly
 3108 disability benefits under this subsection:

3109 1. All moneys accumulated in the member's account,
 3110 including vested and nonvested accumulations as described in s.
 3111 121.4501(6), must be transferred from such individual accounts
 3112 to the division for deposit in the disability account of the
 3113 Florida Retirement System Trust Fund. Such moneys must be
 3114 accounted for separately. Earnings must be credited on an annual
 3115 basis for amounts held in the disability accounts of the Florida
 3116 Retirement System Trust Fund based on actual earnings of the
 3117 trust fund.

3118 2. If the member has retained retirement credit earned
 3119 under the pension plan as provided in s. 121.4501(3), a sum
 3120 representing the actuarial present value of such credit within

3121 the Florida Retirement System Trust Fund shall be reassigned by
 3122 the division from the pension plan to the disability program as
 3123 implemented under this subsection and shall be deposited in the
 3124 disability account of the trust fund. Such moneys must be
 3125 accounted for separately.

3126 (b) Disability retirement; entitlement.—

3127 1. A member of the investment plan who becomes totally and
 3128 permanently disabled, as defined in paragraph (d), after
 3129 completing 8 years of creditable service, or a member who
 3130 becomes totally and permanently disabled in the line of duty
 3131 regardless of length of service, is entitled to a monthly
 3132 disability benefit.

3133 2. In order for service to apply toward the 8 years of
 3134 creditable service required for regular disability benefits, or
 3135 toward the creditable service used in calculating a service-
 3136 based benefit as provided under paragraph (g), the service must
 3137 be creditable service as described below:

3138 a. The member's period of service under the investment
 3139 plan shall be considered creditable service, except as provided
 3140 in subparagraph d.

3141 b. If the member has elected to retain credit for service
 3142 under the pension plan as provided under s. 121.4501(3), all
 3143 such service shall be considered creditable service.

3144 c. If the member elects to transfer to his or her member
 3145 accounts a sum representing the present value of his or her
 3146 retirement credit under the pension plan as provided under s.

3147 121.4501(3), the period of service under the pension plan
 3148 represented in the present value amounts transferred shall be
 3149 considered creditable service, except as provided in
 3150 subparagraph d.

3151 d. If a member has terminated employment and has taken
 3152 distribution of his or her funds as provided in subsection (1),
 3153 all creditable service represented by such distributed funds is
 3154 forfeited for purposes of this subsection.

3155 (c) Disability retirement effective date.—The effective
 3156 retirement date for a member who applies and is approved for
 3157 disability retirement shall be established as provided under s.
 3158 121.091(5)(a)2. ~~121.091(4)(a)2.~~ and 3.

3159 (d) Total and permanent disability.—A member shall be
 3160 considered totally and permanently disabled if, in the opinion
 3161 of the division, he or she is prevented, by reason of a
 3162 medically determinable physical or mental impairment, from
 3163 rendering useful and efficient service as an officer or
 3164 employee.

3165 (e) Proof of disability.— Before approving payment of any
 3166 disability retirement benefit, the division shall require proof
 3167 that the member is totally and permanently disabled as provided
 3168 under s. 121.091(5)(c) ~~121.091(4)(e)~~.

3169 (f) Disability retirement benefit.—Upon the disability
 3170 retirement of a member under this subsection, the member shall
 3171 receive a monthly benefit that begins accruing on the first day
 3172 of the month of disability retirement, as approved by the

3173 division, and is payable on the last day of that month and each
 3174 month thereafter during his or her lifetime and continued
 3175 disability. All disability benefits must be paid out of the
 3176 disability account of the Florida Retirement System Trust Fund
 3177 established under this subsection.

3178 (g) Computation of disability retirement benefit.—The
 3179 amount of each monthly payment must be calculated as provided
 3180 under s. 121.091(5)(f) ~~121.091(4)(f)~~. Creditable service under
 3181 both the pension plan and the investment plan shall be
 3182 applicable as provided under paragraph (b).

3183 (h) Reapplication.—A member whose initial application for
 3184 disability retirement is denied may reapply for disability
 3185 benefits as provided in s. 121.091(5)(g) ~~121.091(4)(g)~~.

3186 (i) Membership.—Upon approval of a member's application
 3187 for disability benefits, the member shall be transferred to the
 3188 pension plan, effective upon his or her disability retirement
 3189 effective date.

3190 (j) Option to cancel.—A member whose application for
 3191 disability benefits is approved may cancel the application if
 3192 the cancellation request is received by the division before a
 3193 disability retirement warrant has been deposited, cashed, or
 3194 received by direct deposit. Upon cancellation:

3195 1. The member's transfer to the pension plan under
 3196 paragraph (i) shall be nullified;

3197 2. The member shall be retroactively reinstated in the
 3198 investment plan without hiatus;

3199 3. All funds transferred to the Florida Retirement System
 3200 Trust Fund under paragraph (a) must be returned to the member
 3201 accounts from which the funds were drawn; and

3202 4. The member may elect to receive the benefit payable
 3203 under subsection (1) in lieu of disability benefits.

3204 (k) Recovery from disability.—

3205 1. The division may require periodic reexaminations at the
 3206 expense of the disability program account of the Florida
 3207 Retirement System Trust Fund. Except as provided in subparagraph
 3208 2., all other matters relating to recovery from disability shall
 3209 be as provided under s. 121.091(5)(h) ~~121.091(4)(h)~~.

3210 2. Upon recovery from disability, the recipient of
 3211 disability retirement benefits under this subsection shall be a
 3212 compulsory member of the investment plan. The net difference
 3213 between the recipient's original account balance transferred to
 3214 the Florida Retirement System Trust Fund, including earnings and
 3215 total disability benefits paid to such recipient, if any, shall
 3216 be determined as provided in sub-subparagraph a.

3217 a. An amount equal to the total benefits paid shall be
 3218 subtracted from that portion of the transferred account balance
 3219 consisting of vested accumulations as described under s.
 3220 121.4501(6), if any, and an amount equal to the remainder of
 3221 benefit amounts paid, if any, shall be subtracted from any
 3222 remaining nonvested accumulations.

3223 b. Amounts subtracted under sub-subparagraph a. must be
 3224 retained within the disability account of the Florida Retirement

3225 System Trust Fund. Any remaining account balance shall be
 3226 transferred to the third-party administrator for disposition as
 3227 provided under sub-subparagraph c. or sub-subparagraph d., as
 3228 appropriate.

3229 c. If the recipient returns to covered employment,
 3230 transferred amounts must be deposited in individual accounts
 3231 under the investment plan, as directed by the member. Vested and
 3232 nonvested amounts shall be accounted for separately as provided
 3233 in s. 121.4501(6).

3234 d. If the recipient fails to return to covered employment
 3235 upon recovery from disability:

3236 (I) Any remaining vested amount must be deposited in
 3237 individual accounts under the investment plan, as directed by
 3238 the member, and is payable as provided in subsection (1).

3239 (II) Any remaining nonvested amount must be held in a
 3240 suspense account and is forfeitable after 5 years as provided in
 3241 s. 121.4501(6).

3242 3. If present value was reassigned from the pension plan
 3243 to the disability program as provided under subparagraph (a)2.,
 3244 the full present value amount must be returned to the defined
 3245 benefit account within the Florida Retirement System Trust Fund
 3246 and the member's associated retirement credit under the pension
 3247 plan must be reinstated in full. Any benefit based upon such
 3248 credit must be calculated as provided in s. 121.091(5)(h)1.

3249 ~~121.091(4)(h)1.~~

3250 (1) Nonadmissible causes of disability.—A member is not

3251 entitled to a disability retirement benefit if the disability
 3252 results from any injury or disease as described in s.

3253 121.091(5)(i) ~~121.091(4)(i)~~.

3254 (m) Disability retirement of justice or judge by order of
 3255 Supreme Court.—

3256 1. If a member is a justice of the Supreme Court, judge of
 3257 a district court of appeal, circuit judge, or judge of a county
 3258 court who has served for the years equal to, or greater than,
 3259 the vesting requirement in s. 121.021(45) as an elected
 3260 constitutional judicial officer, including service as a judicial
 3261 officer in any court abolished pursuant to Art. V of the State
 3262 Constitution, and who is retired for disability pursuant to s.
 3263 12, Art. V of the State Constitution, the member's Option 1
 3264 monthly disability benefit amount as provided in s.

3265 121.091(7)(a)1. ~~121.091(6)(a)1.~~ shall be two-thirds of his or
 3266 her monthly compensation as of the member's disability
 3267 retirement date. The member may alternatively elect to receive
 3268 an actuarially adjusted disability retirement benefit under any
 3269 other option as provided in s. 121.091(7)(a) ~~121.091(6)(a)~~ or to
 3270 receive the normal benefit payable under subsection (1).

3271 2. If any justice or judge who is a member of the
 3272 investment plan is retired for disability pursuant to s. 12,
 3273 Art. V of the State Constitution and elects to receive a monthly
 3274 disability benefit under the provisions of this paragraph:

3275 a. Any present value amount that was transferred to his or
 3276 her investment plan account and all employer and employee

3277 contributions made to such account on his or her behalf, plus
 3278 interest and earnings thereon, must be transferred to and
 3279 deposited in the disability account of the Florida Retirement
 3280 System Trust Fund; and

3281 b. The monthly disability benefits payable under this
 3282 paragraph shall be paid from the disability account of the
 3283 Florida Retirement System Trust Fund.

3284 (n) Death of retiree or beneficiary.—Upon the death of a
 3285 disabled retiree or beneficiary of the retiree who is receiving
 3286 monthly disability benefits under this subsection, the monthly
 3287 benefits shall be paid through the last day of the month of
 3288 death and shall terminate, or be adjusted, if applicable, as of
 3289 that date in accordance with the optional form of benefit
 3290 selected at the time of retirement. The department may adopt
 3291 rules necessary to administer this paragraph.

3292 (3) DEATH BENEFITS.—Under the Florida Retirement System
 3293 Investment Plan:

3294 (a) Survivor benefits are payable in accordance with the
 3295 following terms and conditions:

3296 1. To the extent vested, benefits are payable only to a
 3297 member's beneficiary or beneficiaries as designated by the
 3298 member as provided in s. 121.4501(20).

3299 2. Benefits shall be paid by the third-party administrator
 3300 or designated approved providers in accordance with the law, the
 3301 contracts, and any applicable state board rule or policy.

3302 3. To receive benefits, the member must be deceased.

3303 (b) In the event of a member's death, all vested
 3304 accumulations as described in s. 121.4501(6), less withholding
 3305 taxes remitted to the Internal Revenue Service, shall be
 3306 distributed, as provided in paragraph (c) or as described in s.
 3307 121.4501(20), as if the member retired on the date of death. No
 3308 other death benefits are available for survivors of members,
 3309 except for benefits, or coverage for benefits, as are otherwise
 3310 provided by law or separately provided by the employer, at the
 3311 employer's discretion.

3312 (c) Upon receipt by the third-party administrator of a
 3313 properly executed application for distribution of benefits, the
 3314 total accumulated benefit is payable by the third-party
 3315 administrator to the member's surviving beneficiary or
 3316 beneficiaries, as:

3317 1. A lump-sum distribution payable to the beneficiary or
 3318 beneficiaries, or to the deceased member's estate;

3319 2. An eligible rollover distribution, if permitted, on
 3320 behalf of the surviving spouse of a deceased member, whereby all
 3321 accrued benefits, plus interest and investment earnings, are
 3322 paid from the deceased member's account directly to the
 3323 custodian of an eligible retirement plan, as described in s.
 3324 402(c)(8)(B) of the Internal Revenue Code, on behalf of the
 3325 surviving spouse; or

3326 3. A partial lump-sum payment whereby a portion of the
 3327 accrued benefit is paid to the deceased member's surviving
 3328 spouse or other designated beneficiaries, less withholding taxes

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3329 remitted to the Internal Revenue Service, and the remaining
 3330 amount is transferred directly to the custodian of an eligible
 3331 retirement plan, if permitted, as described in s. 402(c)(8)(B)
 3332 of the Internal Revenue Code, on behalf of the surviving spouse.
 3333 The proportions must be specified by the member or the surviving
 3334 beneficiary.

3335
 3336 This paragraph does not abrogate other applicable provisions of
 3337 state or federal law providing for payment of death benefits.

3338 (4) LIMITATION ON LEGAL PROCESS.—The benefits payable to
 3339 any person under the Florida Retirement System Investment Plan,
 3340 and any contributions accumulated under the plan, are not
 3341 subject to assignment, execution, attachment, or any legal
 3342 process, except for qualified domestic relations orders by a
 3343 court of competent jurisdiction, income deduction orders as
 3344 provided in s. 61.1301, and federal income tax levies.

3345 Section 10. Section 121.5911, Florida Statutes, is amended
 3346 to read:

3347 121.5911 Disability retirement program; qualified status+
 3348 ~~rulemaking authority.~~—It is the intent of the Legislature that
 3349 the disability retirement program for members of the Florida
 3350 Retirement System Investment Plan and Florida Retirement System
 3351 Hybrid Plan meet all applicable requirements of federal law for
 3352 a qualified plan. The department shall seek a private letter
 3353 ruling from the Internal Revenue Service on the disability
 3354 retirement program.

3355 Section 11. Subsection (1) and paragraph (a) of subsection
 3356 (2) of section 121.70, Florida Statutes, are amended to read:

3357 121.70 Legislative purpose and intent.—

3358 (1) This part provides for a uniform system for funding
 3359 benefits provided under the Florida Retirement System Pension
 3360 Plan established under part I of this chapter, ~~(referred to in~~
 3361 ~~this part as the pension plan;)~~ and under the Florida Retirement
 3362 System Investment Plan established under part II of this
 3363 chapter, ~~(referred to in this part as the investment plan; and~~
 3364 ~~under the Florida Retirement System Hybrid Plan established~~
 3365 ~~under parts I and II of this chapter, referred to in this part~~
 3366 ~~as the hybrid plan).~~ The Legislature recognizes and declares
 3367 that the Florida Retirement System is a single retirement
 3368 system, consisting of three ~~two~~ retirement plans and other
 3369 nonintegrated programs. Employees and employers participating in
 3370 the Florida Retirement System collectively shall make ~~be~~
 3371 ~~responsible for making~~ contributions to support the benefits
 3372 provided under the ~~both~~ plans. The employees and employers shall
 3373 make contributions based upon a uniform or blended contribution
 3374 rate system ~~rates~~ determined as a percentage of the employee's
 3375 gross monthly compensation for the employee's class or subclass
 3376 of Florida Retirement System membership, irrespective of the
 3377 retirement plan in which the individual employee is enrolled.
 3378 ~~This shall be known as a uniform or blended contribution rate~~
 3379 ~~system.~~

3380 (2) In establishing a uniform contribution rate system, it

3381 is the intent of the Legislature to:

3382 (a) Provide greater stability and certainty in financial
 3383 planning and budgeting for Florida Retirement System employers
 3384 by eliminating the fiscal instability that would be caused by
 3385 multiple dual rates coupled with employee-selected plan
 3386 participation;

3387 Section 12. Subsections (3), (4), and (5) of section
 3388 121.71, Florida Statutes, are amended to read:

3389 121.71 Uniform rates; process; calculations; levy.—

3390 (3) Required employee retirement contribution rates for
 3391 each membership class and subclass of the Florida Retirement
 3392 System for the both retirement plans are as follows:

3393

Membership Class	Percentage of Gross Compensation, Effective July 1, 2011
Regular Class	3.00%
Special Risk Class	3.00%

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Special Risk	
Administrative	
Support Class	3.00%
Elected Officers' Class-	
Legislators, Governor,	
Lt. Governor,	
Cabinet Officers,	
State Attorneys,	
Public Defenders	3.00%
Elected Officers' Class-	
Justices, Judges	3.00%
Elected Officers' Class-	
County Elected Officers	3.00%
Senior Management Service Class	3.00%
DROP	0.00%

(4) Required employer retirement contribution rates for each membership class and subclass of the Florida Retirement System for the ~~both~~ retirement plans are as follows:

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	Percentage of Gross Compensation, Effective July 1, 2013
3408	Membership Class
3409	
3410	Regular Class 3.53%
3411	Special Risk Class 11.00%
	Special Risk
	Administrative
3412	Support Class 4.17%
	Elected Officers' Class—
	Legislators, Governor,
	Lt. Governor,
	Cabinet Officers,
	State Attorneys,
3413	Public Defenders 6.52%
	Elected Officers' Class—
3414	Justices, Judges 10.05%

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3415	Elected Officers' Class— County Elected Officers	8.44%
3416	Senior Management Class	4.81%
3417	DROP	4.63%
3418	(5) In order to address unfunded actuarial liabilities of	
3419	the system, the required employer retirement contribution rates	
3420	for each membership class and subclass of the Florida Retirement	
3421	System for <u>the</u> both retirement plans are as follows:	
3422		
3423	Membership Class	Percentage of Gross Compensation, Effective July 1, 2013
3424	Regular Class	2.19%
3425	Special Risk Class	6.83%
3426	Special Risk	30.56%

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3427	Administrative Support Class	
3428	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	24.85%
3429	Elected Officers' Class— Justices, Judges	17.00%
3430	Elected Officers' Class— County Elected Officers	23.36%
3431	Senior Management Service Class	12.27%
3432	DROP	7.01%
3433	Section 13. Subsections (1) and (2) of section 121.72,	
3434	Florida Statutes, are amended to read:	
3435	121.72 Allocations to investment plan member accounts;	
3436	percentage amounts.—	
3437	(1) <u>a.</u> The allocations established in subsection <u>(5)</u> (4)	
3438	shall fund retirement benefits under the investment plan and	

3439 shall be transferred monthly by the Division of Retirement from
 3440 the Florida Retirement System Contributions Clearing Trust Fund
 3441 to the third-party administrator for deposit in each
 3442 participating employee's individual account based on the
 3443 membership class of the participant.

3444 b. The allocations established in subsection (6) shall
 3445 fund retirement benefits under the hybrid plan and shall be
 3446 transferred monthly by the Division of Retirement from the
 3447 Florida Retirement Contributions Clearing Trust Fund to the
 3448 third-party administrator for deposit in each participating
 3449 employee's individual account based on the membership class of
 3450 the participant.

3451 (2) The allocations are stated as a percentage of each
 3452 investment plan or hybrid plan member's gross compensation for
 3453 the calendar month. A change in a contribution percentage is
 3454 effective the first day of the month for which retirement
 3455 contributions may be made on or after the beginning date of the
 3456 change. Contribution percentages may be modified by general law.

3457 Section 14. Section 121.77, Florida Statutes, is amended
 3458 to read:

3459 121.77 Deductions from member accounts.—The State Board of
 3460 Administration may authorize the third-party administrator to
 3461 deduct reasonable fees and apply appropriate charges to
 3462 investment plan or hybrid plan member accounts. In no event may
 3463 administrative and educational expenses exceed the portion of
 3464 employer contributions earmarked for such expenses under this

3465 part, except for reasonable administrative charges assessed
 3466 against member accounts of persons for whom no employer
 3467 contributions are made during the calendar quarter. Investment
 3468 management fees shall be deducted from member accounts, pursuant
 3469 to the terms of the contract between the provider and the board.

3470 Section 15. Paragraphs (a), (b), (d), and (e) of
 3471 subsection (3) of section 121.78, Florida Statutes, are amended
 3472 to read:

3473 121.78 Payment and distribution of contributions.—

3474 (3) (a) Employee and employer contributions and
 3475 accompanying payroll data received after the 5th working day of
 3476 the month are considered late. The employer shall be assessed by
 3477 the Division of Retirement a penalty of 1 percent of the
 3478 contributions due for each calendar month or part thereof that
 3479 the contributions or accompanying payroll data are late.

3480 Proceeds from the 1 percent assessment against contributions
 3481 made on behalf of members of the pension plan must be deposited
 3482 in the Florida Retirement System Trust Fund, and proceeds from
 3483 the 1 percent assessment against contributions made on behalf of
 3484 members of the investment plan shall be transferred to the
 3485 third-party administrator for deposit into member accounts, as
 3486 provided in paragraph (c). Proceeds from the 1 percent
 3487 assessment against contributions made on behalf of members of
 3488 the hybrid plan shall be transferred to the third-party
 3489 administrator for deposit into member accounts.

3490 (b) Retirement contributions paid for a prior period shall

3491 be charged a delinquent fee of 1 percent for each calendar month
 3492 or part thereof that the contributions should have been paid.
 3493 This includes prior period contributions due to incorrect wages
 3494 and contributions from an earlier report or wages and
 3495 contributions that should have been reported but were not.
 3496 Proceeds from the 1 percent delinquent fee made on behalf of
 3497 members of the pension plan must be deposited in the Florida
 3498 Retirement System Trust Fund, and proceeds from the 1 percent
 3499 delinquent fee made on behalf of members of the investment plan
 3500 or hybrid plan shall be transferred to the third-party
 3501 administrator for deposit into member accounts. The delinquent
 3502 assessments may not be waived.

3503 (d) If employee contributions reported by an employer on
 3504 behalf of members are reduced as a result of employer errors or
 3505 corrections, and the member has terminated employment and taken
 3506 a refund, ~~or~~ distribution, or benefit payment, the employer
 3507 shall be billed and is responsible for recovering from the
 3508 member any excess contributions erroneously provided by the
 3509 employer.

3510 (e) Delinquency fees specified in paragraph (a) may be
 3511 waived by the division, with regard to pension plan
 3512 contributions, and by the state board, with regard to investment
 3513 plan or hybrid plan contributions, only if, in the opinion of
 3514 the division or the board, as appropriate, exceptional
 3515 circumstances beyond the employer's control prevented remittance
 3516 by the prescribed due date notwithstanding the employer's good

3517 faith efforts to effect delivery. Such a waiver of delinquency
 3518 may be granted an employer only once each plan year.

3519 Section 16. Subsection (10) of section 216.136, Florida
 3520 Statutes, is amended to read:

3521 216.136 Consensus estimating conferences; duties and
 3522 principals.—

3523 (10) FLORIDA RETIREMENT SYSTEM ACTUARIAL ASSUMPTION
 3524 CONFERENCE.—The Florida Retirement System Actuarial Assumption
 3525 Conference shall develop official information with respect to
 3526 the economic and noneconomic assumptions and funding methods of
 3527 the Florida Retirement System Pension Plan and the Florida
 3528 Retirement System Hybrid Plan necessary to perform the system
 3529 actuarial study undertaken pursuant to s. 121.031(3). Such
 3530 information shall include: an analysis of the actuarial
 3531 assumptions and actuarial methods used in the study and a
 3532 determination of whether changes to the assumptions or methods
 3533 need to be made due to experience changes or revised future
 3534 forecasts.

3535 Section 17. Paragraph (k) of subsection (3) of section
 3536 121.0515, Florida Statutes, is amended to read:

3537 121.0515 Special Risk Class.—

3538 (3) CRITERIA.—A member, to be designated as a special risk
 3539 member, must meet the following criteria:

3540 (k) The member must have already qualified for and be
 3541 actively participating in special risk membership under
 3542 paragraph (a), paragraph (b), or paragraph (c), must have

3543 suffered a qualifying injury as defined in this paragraph, must
 3544 not be receiving disability retirement benefits as provided in
 3545 s. 121.091(5) ~~121.091(4)~~, and must satisfy the requirements of
 3546 this paragraph.

3547 1. The ability to qualify for the class of membership
 3548 defined in paragraph (2)(i) occurs when two licensed medical
 3549 physicians, one of whom is a primary treating physician of the
 3550 member, certify the existence of the physical injury and medical
 3551 condition that constitute a qualifying injury as defined in this
 3552 paragraph and that the member has reached maximum medical
 3553 improvement after August 1, 2008. The certifications from the
 3554 licensed medical physicians must include, at a minimum, that the
 3555 injury to the special risk member has resulted in a physical
 3556 loss, or loss of use, of at least two of the following: left
 3557 arm, right arm, left leg, or right leg; and:

3558 a. That this physical loss or loss of use is total and
 3559 permanent, except if the loss of use is due to a physical injury
 3560 to the member's brain, in which event the loss of use is
 3561 permanent with at least 75 percent loss of motor function with
 3562 respect to each arm or leg affected.

3563 b. That this physical loss or loss of use renders the
 3564 member physically unable to perform the essential job functions
 3565 of his or her special risk position.

3566 c. That, notwithstanding this physical loss or loss of
 3567 use, the individual can perform the essential job functions
 3568 required by the member's new position, as provided in

3569 subparagraph 3.

3570 d. That use of artificial limbs is not possible or does
 3571 not alter the member's ability to perform the essential job
 3572 functions of the member's position.

3573 e. That the physical loss or loss of use is a direct
 3574 result of a physical injury and not a result of any mental,
 3575 psychological, or emotional injury.

3576 2. For the purposes of this paragraph, "qualifying injury"
 3577 means an injury sustained in the line of duty, as certified by
 3578 the member's employing agency, by a special risk member that
 3579 does not result in total and permanent disability as defined in
 3580 s. 121.091(5)(b) ~~121.091(4)(b)~~. An injury is a qualifying injury
 3581 if the injury is a physical injury to the member's physical body
 3582 resulting in a physical loss, or loss of use, of at least two of
 3583 the following: left arm, right arm, left leg, or right leg.
 3584 Notwithstanding any other provision of this section, an injury
 3585 that would otherwise qualify as a qualifying injury is not
 3586 considered a qualifying injury if and when the member ceases
 3587 employment with the employer for whom he or she was providing
 3588 special risk services on the date the injury occurred.

3589 3. The new position, as described in sub-subparagraph
 3590 1.c., that is required for qualification as a special risk
 3591 member under this paragraph is not required to be a position
 3592 with essential job functions that entitle an individual to
 3593 special risk membership. Whether a new position as described in
 3594 sub-subparagraph 1.c. exists and is available to the special

3595 risk member is a decision to be made solely by the employer in
 3596 accordance with its hiring practices and applicable law.

3597 4. This paragraph does not grant or create additional
 3598 rights for any individual to continued employment or to be hired
 3599 or rehired by his or her employer that are not already provided
 3600 within the Florida Statutes, the State Constitution, the
 3601 Americans with Disabilities Act, if applicable, or any other
 3602 applicable state or federal law.

3603 Section 18. Subsections (4) and (7) of section 121.053,
 3604 Florida Statutes, are amended to read:

3605 121.053 Participation in the Elected Officers' Class for
 3606 retired members.—

3607 (4) Upon attaining his or her normal retirement date, and
 3608 upon application to the administrator of the intent to retire, a
 3609 member qualifying under subsection (1) or subsection (2) shall
 3610 receive a monthly benefit under this section, in addition to any
 3611 benefits already being received, which shall commence on the
 3612 last day of the month of retirement and be payable on the last
 3613 day of the month thereafter during his or her lifetime. The
 3614 amount of the monthly benefit is the total percentage of
 3615 retirement credit purchased under this section multiplied by the
 3616 member's average monthly compensation as an elected officer,
 3617 adjusted according to the option selected at retirement under s.
 3618 121.091(7) ~~121.091(6)~~.

3619 (7) A member who is elected or appointed to an elective
 3620 office and who is participating in the Deferred Retirement

3621 Option Program is not subject to termination as defined in s.
 3622 121.021, or reemployment limitations as provided in
 3623 s.121.091(10) ~~121.091(9)~~, until the end of his or her current
 3624 term of office or, if the officer is consecutively elected or
 3625 reelected to an elective office eligible for coverage under the
 3626 Florida Retirement System, until he or she no longer holds an
 3627 elective office, as follows:

3628 (a) At the end of the 60-month DROP period:

3629 1. The officer's DROP account may not accrue additional
 3630 monthly benefits, but does continue to earn interest as provided
 3631 in s. 121.091(14) ~~121.091(13)~~. However, an officer whose DROP
 3632 participation begins on or after July 1, 2010, may not continue
 3633 to earn such interest.

3634 2. Retirement contributions, except for unfunded actuarial
 3635 liability and health insurance subsidy contributions required in
 3636 ss. 121.71(5) and 121.76, are not required of the employer of
 3637 the elected officer, and additional retirement credit may not be
 3638 earned under the Florida Retirement System.

3639 (b) An elected officer may voluntarily terminate his or
 3640 her elective office at any time and receive his or her DROP
 3641 proceeds. However, until termination occurs, an elected officer
 3642 whose termination limitations are extended by this section is
 3643 ineligible for renewed membership in the system and may not
 3644 receive pension payments, DROP lump sum payments, or any other
 3645 state payment other than the statutorily determined salary,
 3646 travel, and per diem for the elective office.

3647 (c) Upon termination, the officer shall receive his or her
 3648 accumulated DROP account, plus interest, and shall accrue and
 3649 commence receiving monthly retirement benefits, which must be
 3650 paid on a prospective basis only.

3651 Section 19. Paragraphs (b) and (c) of subsection (1) of
 3652 section 121.122, Florida Statutes, are amended to read:

3653 121.122 Renewed membership in system.—

3654 (1) Except as provided in s. 121.053, effective July 1,
 3655 1991, through June 30, 2010, any retiree of a state-administered
 3656 retirement system who is initially reemployed in a regularly
 3657 established position with a covered employer, including an
 3658 elective public office that does not qualify for the Elected
 3659 Officer's Class, shall be enrolled as a compulsory member of the
 3660 Regular Class of the Florida Retirement System. Effective July
 3661 1, 1997, through June 30, 2010, any retiree of a state-
 3662 administered retirement system who is initially reemployed in a
 3663 position included in the Senior Management Service Class shall
 3664 be enrolled as a compulsory member of the Senior Management
 3665 Service Class of the Florida Retirement System as provided in s.
 3666 121.055. A retiree is entitled to receive an additional
 3667 retirement benefit, subject to the following conditions:

3668 (b) Such member is not entitled to disability benefits as
 3669 provided in s. 121.091(5) ~~121.091(4)~~.

3670 (c) Such member must meet the reemployment after
 3671 retirement limitations as provided in s. 121.091(10) ~~121.091(9)~~,
 3672 as applicable.

3673 Section 20. Section 121.125, Florida Statutes, is amended
 3674 to read:
 3675 121.125 Credit for workers' compensation payment periods.—
 3676 A member of the retirement system created by this chapter who
 3677 has been eligible or becomes eligible to receive workers'
 3678 compensation payments for an injury or illness occurring during
 3679 his or her employment while a member of any state retirement
 3680 system shall, upon return to active employment with a covered
 3681 employer for 1 calendar month or upon approval for disability
 3682 retirement in accordance with s. 121.091(5) ~~121.091(4)~~, receive
 3683 full retirement credit for the period prior to such return to
 3684 active employment or disability retirement for which the
 3685 workers' compensation payments were received. However, a member
 3686 may not receive retirement credit for any such period occurring
 3687 after the earlier of the date of maximum medical improvement as
 3688 defined in s. 440.02 or the date termination has occurred as
 3689 defined in s. 121.021(39). The employer of record at the time of
 3690 the workers' compensation injury or illness shall make the
 3691 required employer and employee retirement contributions based on
 3692 the member's rate of monthly compensation immediately prior to
 3693 his or her receiving workers' compensation payments for
 3694 retirement credit received by the member. The employer of record
 3695 at the time of the workers' compensation injury or illness shall
 3696 be assessed by the division a penalty of 1 percent of the
 3697 contributions on all contributions not paid on the first payroll
 3698 report after the member becomes eligible to receive credit. This

3699 delinquent assessment may not be waived.

3700 Section 21. Subsection (2) of section 121.141, Florida
 3701 Statutes, is amended to read:

3702 121.141 Appropriation.—

3703 (2) The funds required to provide payments to
 3704 beneficiaries of members who die subsequent to the completion of
 3705 20 years of creditable service, as specified in s. 121.091(4)
 3706 ~~121.091(3)~~, shall be annually appropriated from the System Trust
 3707 Fund.

3708 Section 22. Paragraph (a) of subsection (2) of section
 3709 121.23, Florida Statutes, is amended to read:

3710 121.23 Disability retirement and special risk membership
 3711 applications; Retirement Commission; powers and duties; judicial
 3712 review.—The provisions of this section apply to all proceedings
 3713 in which the administrator has made a written final decision on
 3714 the merits respecting applications for disability retirement,
 3715 reexamination of retired members receiving disability benefits,
 3716 applications for special risk membership, and reexamination of
 3717 special risk members in the Florida Retirement System. The
 3718 jurisdiction of the State Retirement Commission under this
 3719 section shall be limited to written final decisions of the
 3720 administrator on the merits.

3721 (2) A member shall be entitled to a hearing before the
 3722 State Retirement Commission pursuant to ss. 120.569 and
 3723 120.57(1) on the merits of any written adverse decision of the
 3724 administrator, if he or she files with the commission a written

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3725 request for such hearing within 21 days after receipt of such
 3726 written decision from the administrator. For the purpose of such
 3727 hearings, the commission shall be an "agency head" as defined by
 3728 s. 120.52.

3729 (a) The commission may issue orders as a result of the
 3730 hearing that are binding on all parties to the dispute and may
 3731 order any action that it deems appropriate. Any disability
 3732 retirement order of the commission that sustains the application
 3733 of the member may include an amount, to be determined by the
 3734 commission, for reasonable attorney's fees and taxable costs,
 3735 which shall be calculated in accordance with the statewide
 3736 uniform guidelines for taxation of costs in civil actions. The
 3737 amount of the attorney's fees may not exceed 50 percent of the
 3738 initial yearly benefit awarded under s. 121.091(5) ~~121.091(4)~~.
 3739 In cases involving disability retirement, the commission shall
 3740 require the member to present substantial competent medical
 3741 evidence that meets the requirements of s. 121.091(5)(c)2.
 3742 ~~121.091(4)(c)2.~~ and 3., and may require vocational evidence,
 3743 before awarding disability retirement benefits.

3744 Section 23. Subsections (6), (7), and (9) of section
 3745 121.40, Florida Statutes, are amended to read:

3746 121.40 Cooperative extension personnel at the Institute of
 3747 Food and Agricultural Sciences; supplemental retirement
 3748 benefits.—

3749 (6) PAYMENT OF SUPPLEMENT.—Any participant who retires on
 3750 or after January 1, 1985, from the federal Civil Service

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3751 Retirement System as a cooperative extension employee of the
 3752 institute at the University of Florida and who satisfies all of
 3753 the eligibility criteria specified in subsection (4) shall be
 3754 entitled to receive a supplemental benefit under this program
 3755 computed in accordance with subsection (5), to begin July 1,
 3756 1985, or the month of retirement, or the month in which the
 3757 participant becomes age 62, whichever is later. Upon application
 3758 to the administrator, the participant shall receive a monthly
 3759 supplemental benefit which shall commence on the last day of the
 3760 month of retirement and shall be payable on the last day of the
 3761 month thereafter during his or her lifetime. A participant may
 3762 have federal income tax and health insurance premiums deducted
 3763 from his or her monthly supplemental benefit in the same manner
 3764 as provided in s. 121.091(15)(a) ~~121.091(14)(a)~~ and (b) for
 3765 monthly retirement benefits under the Florida Retirement System.

3766 (7) OPTIONAL FORMS OF SUPPLEMENTAL RETIREMENT BENEFITS.—
 3767 Prior to the receipt of the first monthly supplemental
 3768 retirement payment under this program, a participant shall elect
 3769 to receive the supplemental retirement benefits to which he or
 3770 she is entitled under subsection (6) in accordance with s.
 3771 121.091(7) ~~121.091(6)~~.

3772 (9) DESIGNATION OF BENEFICIARIES.—Each participant of this
 3773 program may designate beneficiaries in accordance with s.
 3774 121.091(9) ~~121.091(8)~~.

3775 Section 24. Section 238.072, Florida Statutes, is amended
 3776 to read:

3777 238.072 Special service provisions for extension
 3778 personnel.—All state and county cooperative extension personnel
 3779 holding appointments by the United States Department of
 3780 Agriculture for extension work in agriculture and home economics
 3781 in this state who are joint representatives of the University of
 3782 Florida and the United States Department of Agriculture, as
 3783 provided in s. 121.051(8) ~~121.051(7)~~, who are members of the
 3784 Teachers' Retirement System, chapter 238, and who are prohibited
 3785 from transferring to and participating in the Florida Retirement
 3786 System, chapter 121, may retire with full benefits upon
 3787 completion of 30 years of creditable service and shall be
 3788 considered to have attained normal retirement age under this
 3789 chapter, any law to the contrary notwithstanding. In order to
 3790 comply with the provisions of s. 14, Art. X of the State
 3791 Constitution, any liability accruing to the Florida Retirement
 3792 System Trust Fund as a result of the provisions of this section
 3793 shall be paid on an annual basis from the General Revenue Fund.

3794 Section 25. Section 238.138, Florida Statutes, is amended
 3795 to read:

3796 238.183 Developmental research school and Florida School
 3797 for the Deaf and the Blind instructional personnel; reemployment
 3798 after retirement.—

3799 (1) Notwithstanding any other law, instructional
 3800 personnel, as defined in s. 1012.01(2), employed by a
 3801 developmental research school or the Florida School for the Deaf
 3802 and the Blind are eligible for reemployment after retirement in

3803 the same manner as classroom teachers who are employed by the
 3804 district school boards, as described in ss. 121.091(10)(b)
 3805 ~~121.091(9)(b)~~ and 238.181(2)(c).

3806 (2) Instructional personnel, as defined in s. 1012.01(2),
 3807 employed by a developmental research school and authorized by
 3808 the school's director, or if the school has no director, by the
 3809 school's principal, are eligible for the Deferred Retirement
 3810 Option Program (DROP) beyond 60 months in the same manner as the
 3811 instructional personnel who are employed by the district school
 3812 boards and authorized by the district school superintendent, as
 3813 described in s. 121.091(14) ~~121.091(13)~~.

3814 Section 26. Subsection (11) of section 413.051, Florida
 3815 Statutes, is amended to read:

3816 413.051 Eligible blind persons; operation of vending
 3817 stands.—

3818 (11) Effective July 1, 1996, blind licensees who remain
 3819 members of the Florida Retirement System pursuant to s.
 3820 121.051(7)(b)1. ~~121.051(6)(b)1.~~ shall pay any unappropriated
 3821 retirement costs from their net profits or from program income.
 3822 Within 30 days after the effective date of this act, each blind
 3823 licensee who is eligible to maintain membership in the Florida
 3824 Retirement System under s. 121.051(7)(b)1. ~~121.051(6)(b)1.~~, but
 3825 who elects to withdraw from the system as provided in s.
 3826 121.051(7)(b)3. ~~121.051(6)(b)3.~~, must, on or before July 31,
 3827 1996, notify the Division of Blind Services and the Department
 3828 of Management Services in writing of his or her election to

3829 withdraw. Failure to timely notify the divisions shall be deemed
 3830 a decision to remain a compulsory member of the Florida
 3831 Retirement System. However, if, at any time after July 1, 1996,
 3832 sufficient funds are not paid by a blind licensee to cover the
 3833 required contribution to the Florida Retirement System, that
 3834 blind licensee shall become ineligible to participate in the
 3835 Florida Retirement System on the last day of the first month for
 3836 which no contribution is made or the amount contributed is
 3837 insufficient to cover the required contribution. For any blind
 3838 licensee who becomes ineligible to participate in the Florida
 3839 Retirement System as described in this subsection, no creditable
 3840 service shall be earned under the Florida Retirement System for
 3841 any period following the month that retirement contributions
 3842 ceased to be reported. However, any such person may participate
 3843 in the Florida Retirement System in the future if employed by a
 3844 participating employer in a covered position.

3845 Section 27. (1) Effective July 1, 2015, in order to fund
 3846 the benefit changes provided in this act, the required employer
 3847 contribution rates for the unfunded actuarial liability of the
 3848 Florida Retirement System established in section 121.71(5),
 3849 Florida Statutes, shall be adjusted as follows:

3850 (a) Regular Class.-The Regular Class shall be increased by
 3851 X.XX percentage points.

3852 (b) Special Risk Class.-The Special Risk Class shall be
 3853 increased by X.XX percentage points.

3854 (c) Special Risk Administrative Support Class.-The Special

3855 Risk Administrative Support Class shall be increased by X.XX
 3856 percentage points.

3857 (d) Elected Officers' Class.—Legislators, the Governor,
 3858 the Lieutenant Governor, Cabinet Officers, State Attorneys, and
 3859 Public Defenders shall be increased by X.XX percentage points.

3860 (e) Elected Officers' Class.—Justices and judges shall be
 3861 increased by X.XX percentage points.

3862 (f) Elected Officers' Class.—County Elected Officers shall
 3863 be increased by X.XX percentage points.

3864 (g) Senior Management Service Class.—The Senior Management
 3865 Service Class shall be increased by X.XX percentage points.

3866 (2) The adjustments provided in subsection (1) shall be in
 3867 addition to all other changes to such contribution rates which
 3868 may be enacted into law to take effect on July 1, 2014, and July
 3869 1, 2015. The Division of Law Revision and Information is
 3870 requested to adjust accordingly the contribution rates provided
 3871 in section 121.71, Florida Statutes.

3872 Section 28. The Legislature finds that a proper and
 3873 legitimate state purpose is served when employees and retirees
 3874 of the state and its political subdivisions, and the dependents,
 3875 survivors, and beneficiaries of such employees and retirees, are
 3876 extended the basic protections afforded by governmental
 3877 retirement systems. These persons must be provided benefits that
 3878 are fair and adequate and that are managed, administered, and
 3879 funded in an actuarially sound manner, as required by s. 14,
 3880 Article X of the State Constitution and part VII of chapter 112,

3881 Florida Statutes. Therefore, the Legislature determines and
 3882 declares that this act fulfills an important state interest.

3883 Section 29. (1) The State Board of Administration and the
 3884 Department of Management Services shall request a determination
 3885 letter as soon as practicable from the Internal Revenue Service
 3886 as to whether this act or any portion of this act will cause the
 3887 Florida Retirement System to be disqualified for tax purposes
 3888 under the Internal Revenue Code. If the Internal Revenue Service
 3889 refuses to act upon such request, a legal opinion from a
 3890 qualified tax attorney or firm may be substituted for the
 3891 determination letter.

3892 (2) If the board or the department receives notification
 3893 from the Internal Revenue Service that this act or any portion
 3894 of this act will cause the Florida Retirement System to be
 3895 disqualified, the portion that will cause the disqualification
 3896 does not apply. Upon such notice, the board and the department
 3897 shall notify the presiding officers of the Legislature.

3898 Section 30. Except as otherwise expressly provided in this
 3899 act, this act shall take effect July 1, 2014.